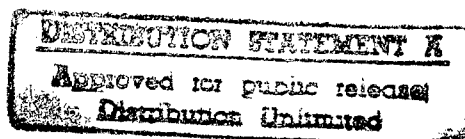




JPRS Report



Near East & South Asia

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Near East & South Asia

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CONTENTS

17 June 1991

INTERNATIONAL AFFAIRS

- Commentary Reacts to Bush's Arms Control Proposal [London AL-SHARQ AL-AWSAT 3 Jun] 1

NEAR EAST

REGIONAL AFFAIRS

- Maghreb-Europe Pipeline Study to End in 1992 [London AL-SHARQ AL-AWSAT 30 May] 3

EGYPT

- Minister of State Interviewed on African Economics [AL-AHRAM AL-DUWALI 15 Apr] 3
 Planning Minister on Economy for First Half of 1990-91 [AL-AHRAM AL-DUWALI 21 Apr] 6
 Opposition Parties React to IMF Agreement [AL-AHRAM AL-DUWALI 20 Apr] 7
 Involvement in Reconstruction of Kuwait 9
 Two Teams to Study, Participate [AL-AHRAM AL-DUWALI 18 May] 9
 Second Opportunity [AL-AHRAM AL-IQTISADI 29 Apr] 9
 Muslim Brotherhood on Change of Constitution [AL-AHRAM AL-DUWALI 20 Apr] 11
 First Two Money Exchange Companies Approved [London AL-SHARQ AL-AWSAT 16 Apr] 12
 Writer Warns Against Population Explosion [AL-AKHBAR 11 Apr] 13

IRAQ

- Japanese Delegation Visits Al-Ta'mim Governorate [INA 13 May] 13
 Iraqi Airways To Attend Air Transport Meetings in Libya [INA 14 May] 13

JORDAN

- Problems of Returnees from Kuwait Discussed [AL-RA'Y 2 Apr] 14

MOROCCO

- Public Sector Reform Phase II To Cost \$200 Million
 [London AL-SHARQ AL-AWSAT 22 Apr] 17
 Agriculture Expected To Ease War, Tourism Losses
 [London AL-SHARQ AL-AWSAT 18 Apr] 18

SOUTH ASIA

AFGHANISTAN

- 3 Scuds, 'Violent' Bombardment Hit Kajaghar [Hong Kong AFP] 19
 10,000 Mujahidin Attack Qandahar, No Kabul Confirmation
 [(Clandestine) Voice of Islamic Revolution of Afghanistan 18 May] 19
 Heavy Weapons Fired at Qandahar, Residents Protest [Kabul Domestic Service 19 May] 19
 Mujahidin Down Helicopter in Qandahar, Destroy 2 Bases [Islamabad Radio Network] 19

INDIA

- New Restrictions on Imports Announced [THE HINDU 24 Apr] 19
 Expectations for Spring Harvest Told [THE HINDU 24 Apr] 20
 Khamene'i Rejects U.S. Reconciliation Offer [KAYHAN INTERNATIONAL 20 Apr] 21

IRAN

Ebrahimi Meets With Afghan Interim Government Members [Tehran Radio]	21
Mines Minister Addresses Symposium on Deposits [IRNA in English]	21
Daily Condemns Kabul Regime's 'Crimes' [JOMHURI-YE ESLAMI 23 Apr]	22
SAIRI Official on Iraqi Situation, Shi'ites [ABRAR 11 May]	23
Report on Iraqi Refugees in Khorramshahr [Voice of the Islamic Republic of Iran 25 Apr]	23
Pakistan Admiral Concludes 'Very Fruitful' Talks [IRNA 5 May]	24
New Joint Iran-Belgium Business Quarterly Published [KAHYAN INTERNATIONAL 20 Apr]	24
Bosnia-Herzegovina's Izetbegovic Meets with Velayati [Voice of the Islamic Republic of Iran 4 May]	24
Intercity Telephone Rates Increase [London KEYHAN 25 Apr]	25
Country's Water Supply Contaminated [London KEYHAN]	25
Domestic Tractor Production Line Planned [ABRAR 31 Mar]	25
Commentary Likens UN 'Safe Haven' Plan to Sykes-Picot Accord [KAYHAN INTERNATIONAL 22 Apr]	25

SRI LANKA

Presidential Intervention Refinances Garment Industry [THE ISLAND 18 Apr]	26
Presidential Initiative Reassures Industrialists [THE ISLAND 19 Apr]	27
Garments Replace Tea as Primary Export Items [THE ISLAND 26 Apr]	27
Education: Editorial Stresses Policy Continuity [THE ISLAND 18 Apr]	28

Commentary Reacts to Bush's Arms Control Proposal

91AA0419A London AL-SHARQ AL-AWSAT in Arabic
3 Jun 91 p 10

[Article by 'Abd-al-Jabbar 'Adwan: "Success of Efforts for Arms Control in Middle East Is Tied to Solving Issues Pending and Settling Arab-Israeli Conflict"]

[Text] London—AL-SHARQ AL-AWSAT—For the first instance, President George Bush's initiative for arms control in the Middle East seemed as if it was revolving around the Arab-Israeli conflict or as if it was the next step in the region's peace processes. The fact is that the U.S. initiative has been launched primarily to complement the outcome of the Gulf war in the hope that no similar war will break out and, secondly, as a part of the efforts to establish security in the region to ensure the continued survival of any peaceful accords on the Arab-Israeli conflict. Arms control is a more comprehensive and difficult process than the peace process that is still faltering. Weapons curtailment is certainly not the easier front on which progress could be achieved in preparation for the peace process. If we examine the prevalent geographic and political concept in the Middle East's appellation, we find that Iran, Pakistan, and Turkey, in addition to the Arab countries, of course, are main parts of the Middle East. Moreover, Israel thinks that the strategic balance encompasses the Arab Maghreb countries as well.

Thus, the issue encompasses all the Arab countries, plus three neighboring Islamic countries. Also, the Arab countries, or at least some of them, do not see Israel as the sole danger threatening them. Consequently, arms control has to encompass the entire region. Moreover, there have to be international guarantees which will be essential for making progress on the path of arms control. It is not incidental that the initial Israeli reactions have included a demand that the Pakistani, and also Iranian, nuclear program be halted.

To complete this digression, it must be said that Pakistan has a different strategic assessment that is detached from the circle of the Arab-Israeli conflict. Pakistan sees that the threat comes from India which, most likely, possesses a nuclear weapon and which can produce it quickly. Iran says that there are numerous sources of danger that pose a threat to it, "including the neighboring Soviet Union and the geographically remote but politically close United States."

Dangers Beyond Region

Fleeing the nuclear weapons problem temporarily in favor of devoting attention to controlling conventional weapons does not end the problems. Most of the weapons in the region have been used in regional wars, and not just against Israel. Even the Arab countries have fought with neighbors other than Israel. Consequently, they have justifiable concerns over having their weapons curtailed, especially since major international parties

have had a role in these wars. At least, this dictates that nonaggression pacts be concluded between Arab countries and countries beyond the region, not just between neighbors.

Perhaps it is for this particular reason that the U.S. initiative has focused on a preliminary pact between the five most important weapon exporters to the region in an endeavor to curtail weapon sales, i.e., to control the process from abroad. Should this materialize, it would not be fair to the Arab countries in the Arab-Israeli conflict because the Arabs do not produce heavy weapons, unlike Israel which produces tanks, aircraft, missiles, and other weapons. Israel also exports these weapons because they represent its most significant source of financial income. Moreover, Israel has several means to acquire foreign technology and to maintain a high standard in its war products.

Nuclear Weapons

The U.S. initiative has not determined clearly the fate of the region's nuclear weapons, possessed by Israel, whereas it has determined the fate of its biochemical weapons and surface-to-surface missiles and has sought to eliminate them totally after ending their production. The fact is that the initiative has also determined that the production of nuclear weapons should be ended and that some sort of international supervision should be established to observe this. But it has kept indeterminate the fate of 100 to 200 bombs possessed by Israel. If the initiative or future talks do not explicitly encompass the fate and elimination of these bombs, then it is difficult to imagine that the Arab countries would agree to disarm and destroy their missiles. The Arab countries that have welcomed the U.S. initiative have made it fully clear that they understand the U.S. initiative within the framework of elimination of Israeli nuclear weapon, abolition of Arab nuclear programs, destruction of Arab and Israeli chemical weapons, and an end to and elimination of Arab and Israeli missiles.

But Israel has welcomed the initiative within the context of not talking about the nuclear bombs that it possesses, stressing that it will not be the first to use this weapon in the region. To end its military nuclear program, Israel has made it conditional that similar programs in the other Middle East countries be ended, keeping in mind that to date, none of these countries have managed to produce an atomic bomb. Israel has declared its sweeping desire for the control of conventional weapons in the Arab countries, especially imported weapons, so that there would be no talk of Israel's own production. Even within this picture, the Israeli strategic position presumes that all Arab countries are opposed to Israel. In the talks, it is not unlikely that Israel will demand curtailment of Arab armies and their main weapons so that their total would equal the numbers Israel has. Israeli Housing Minister Ariel Sharon did actually say this when he welcomed the initiative last Friday.

Conditions for Success of Initiative

To make the U.S. initiative successful, its main conditions must focus on implanting reassurance and security in the region by solving the Palestinian issue and then ending the Arab-Israeli conflict, which is an inevitable prelude for ending any likely Islamic-Israeli conflict. Afterward or concurrently with this, one can, but without linkage, deal with the issue of controlling conventional arms in the area surrounding Palestine, provided that this approach include all long-range surface-to-surface missiles first.

Because conventional weapons are the arms that have determined the Middle East wars to date, controlling them will reduce any likely military dangers, especially after peace is established and an Arab-Israeli peace settlement is initiated, thus paving the way for removing

the nonconventional weapons owned by Israel and the Arabs, be they nuclear, chemical, or biological.

To bolster and ensure this outcome, decisive guarantees should be provided by the superpowers to protect the borders and security of every country that takes part in this process. This will mean eliminating possible threats between Arabs and their neighbors or between the Arabs themselves. Only then will the need for big armies and immense and costly weapons disappear.

Controlling the volume of weapons in the Middle East on agreement between the exporting countries solely will not be fair to the Arabs and it will certainly not be useful. Such control may even serve the cause of intrinsic military industrialization, something which the international weapons ban accomplished for South Africa in the past. Thus, the danger of wars will not end. To deal with any problem, one has to go to its roots.

REGIONAL AFFAIRS

Maghreb-Europe Pipeline Study to End in 1992

91AA0420B London AL-SHARQ AL-AWSAT in Arabic
30 May 91 p 10

[Article by Hani Naqshabandi: "Major Role by Arab Investor in Continental Link Project; Studies on Project May Be Completed by End of Next Year"]

[Text] Jeddah—AL-SHARQ AL-AWSAT—It is expected that the Moroccan and Spanish Governments and their commercial partners will complete the final studies on the continental link project between Morocco and Spain by the end of 1992. This is what Ibrahim Afandi, a Saudi businessman, has told AL-SHARQ AL-AWSAT, stressing that there is continued interest by the people concerned with the idea of a link between Europe and Africa.

Afandi, an official of the committee concerned with securing a part of the Arab financing and with providing work opportunities for Arab businessmen, pointed out that this immense project which will cost nearly \$9 billion is a gigantic project and that Arab contractors must be given an opportunity to contribute a reasonable share to constructing it.

He added that the project encompasses extremely advanced technical and technological aspects and that it includes specializations which dictate that foreign investors play a role in it by virtue of the technology these investors possess. He also said that a dialogue has been initiated with the international Japanese and European firms concerned and that there has been a response within this framework.

Regarding the Arab contractor's role, Afandi said: It is within the purview of the Federation of Arab Contractors to serve the Arab contracting activity and the major Arab development and investment firms by providing the Arab financier and investor with the opportunity to participate. Afandi added that the cost of the project will exceed the estimated sum because there are other complementary projects directly tied to the main project, such as the transport services, the road projects, the financing services, railroads, and whatever else confirms the project's economic feasibility. He added that the sum needed to build the main project is equal to the sum needed to build the utilities attached to it.

It is worth noting that the project for a continental link between Morocco and Spain is an old project and that the project idea was revived and given a big boost in the wake of the development of cooperation between the two countries.

EGYPT

Minister of State Interviewed on African Economics

91AA0324A Cairo AL-AHRAM AL-DUWALI in Arabic
15 Apr 91 p 5

[Interview with Butrus Ghali by 'Abd-al-Mun'im 'Uthman; place and date not given; first two paragraphs are AL-AHRAM AL-DUWALI introduction]

[Text] The African summit scheduled to take place in Abuja, Nigeria in May 1991 will witness the approval of a draft common economic community agreement, which aims to achieve integration between the countries of the African continent. This step is considered a true turning point in the continent's history and a landmark in its future.

We interviewed Dr. Butrus Ghali, the minister of state for foreign affairs, regarding this agreement, as well as the decline of Western concern with African economic conditions due to the successive changes in the world during the past two years stemming from the fundamental changes in Eastern Europe, the collapse of the Berlin Wall, and the Gulf war. In this interview, Minister Butrus Ghali familiarizes us with the dimensions of the economic problems affecting Africa and the role that Egypt can play to support cooperation with the African countries and a bright future for the continent.

[Uthman] It is said that the new, major commitments which the advanced Western countries have been making since the Berlin Wall came down, and the pursuit by the new governments of the Eastern European countries of policies based on market forces and mechanisms, will lead to a reduction in aid for Third World countries, especially the African countries. The Gulf crisis served to emphasize that the African countries might not find among their traditional partners those who will help them overcome their crises. What is your comment on that?

[Ghali] First, I would like to indicate that it has become clear since Namibia obtained its independence last year that different efforts now being made in the African sphere aim to remedy the chronic problems affecting the African economies. If the political independence phase has ended successfully, the current phase, which entails building a better future for coming generations, requires efforts and sacrifices no less than those made by Africa in the past.

The problems with which the African countries must cope are profound, intermeshed problems, the foremost being the problem of growing indebtedness, which is in excess of \$220 billion, the decline of world prices for raw materials, the drop in export proceeds, and the increase in the balance-of-payments burden and the resultant drop in national income and living standards. There comes to mind a statement made by the Afro-American

leader, Jesse Jackson, who said that one is not responsible for falling to the ground, but one is responsible for getting up and moving ahead.

In recent years, Africa has seen the birth of a new, African, economic idea that is anchored in the African environment and compatible with the needs of the current circumstances. This new idea underpins the African economic community plan and the common African market that is expected to be approved by the African leaders during the Abuja summit in May 1991. This development is a prime indication that the countries of our continent are keeping pace with the developments of the new era, the most salient being the formation of regional economic blocks and groupings, such as: the European group; Europe 1992; the European economic zone, which includes all countries of both Eastern and Western Europe; the free trade agreement between the United States, Canada, and perhaps Mexico in the near future; and the arrangements being led by Japan in the context of the Pacific region, which includes Australia, New Zealand, China, and the ascending tigers in Asia, such as South Korea, Hong Kong, Taiwan, Singapore, and others.

[Uthman] Do you believe that the new commitments made by the Western countries as a result of the changes in East Europe have affected the volume of aid allocated for Africa?

[Ghali] Officials in the Western countries have emphasized repeatedly that the aid which their countries provide to the countries of East Europe will not be provided at the expense of Third World or African countries. We hope that this is correct. However, at the same time, we must be realistic in our appraisal of matters. For the advanced Western countries aim, through the provision of aid and loans to the Eastern European countries, to enable these countries to participate in the international commercial order, as long as these countries open economically and adopt policies that recognize market forces as the basis for their economic growth. We do not underestimate political and strategic considerations according to which economic aid is given to the Eastern European countries. However, we must not disregard the economic and commercial dimension, inasmuch as these countries, after they have completed their transition to an open market policy, will be more capable than others to participate in the international commercial order in general, and in trade with the Western countries in particular.

[Uthman] However, several European officials are promoting the establishment of large investment projects in the countries of the Arab Maghreb with financing from the Gulf countries, so that these countries will not compel labor force and immigrants to go abroad, but will instead attract these workers and immigrants and reduce the acuteness of the problem of North African emigres in Europe.

[Ghali] Frankly, we have not received the details concerning the establishment of European investment projects with financing from the Arab Gulf countries in the Arab countries of North Africa. However, we would welcome such ideas or projects as long as the beneficiary countries include both Maghrebi and other African countries.

[Uthman] What is your appraisal of the United Nations' program for economic recovery in Africa, which will no longer be in effect after this year? Has it achieved its goals?

[Ghali] The General Assembly of the United Nations will evaluate the program this year. What concerns us in this regard is to clarify that this program has helped to mobilize international society to pursue specific policies to aid Africa and to make a commitment to provide the support needed for this project.

In addition, this program has placed Africans squarely before their responsibilities. They have made courageous efforts to implement the structural adjustment programs and reform policies despite the high social cost.

Africa no doubt has an ongoing need to mobilize and develop human resources and institutional capabilities and to promote the role and participation of the woman and youths, especially rural residents, in the development process.

Nonetheless, we have recently noted a clear freeze in the flow of international sources to Africa, in real terms, and a drop in direct foreign investment amid the continued circumstances of economic recession in the international raw materials market.

In addition, the burden of debts continues to constitute a principal impediment to recovery and development, despite the numerous international initiatives to solve the problem of African indebtedness which have been presented in the international arena, but have yet to receive the response we had hoped for.

We in Egypt, through our contacts with international parties, are calling for the provision of additional material support for the program, an increase in developmental aid, and the promotion of an increase in the flow of direct foreign investment to Africa. We also maintain that there is a need for structural adjustment policies supported by international financial and monetary organizations to take into account long-term African goals and to pursue the achievement of a positive social effect, while also providing for the basic needs of all African countries benefitting from the program, such as food, health, education, and infrastructure.

[Uthman] Since the end of the seventies, we have faced the almost chronic problem of a continual decline in world prices of primary commodities (raw materials), which for many African countries constitute the main

source of their national incomes. In your opinion, how is it possible to solve this problem, which impedes development efforts in Africa?

[Ghali] First, we must review the efforts that have been made at the international and African levels during the past two decades to cope with this problem. Then we will evaluate these efforts to determine the extent of the crisis that is currently affecting us. If we go back a bit, we find that the Chapter Six of the Havana Charter, which was promulgated by the United Nations Conference on Trade and Labor in 1948, deals with the problem of primary commodities in detail. This chapter stresses the need to reach, under UN auspices, an international agreement that permits the control of the prices of primary commodities, so that they can be adjusted should market forces be unable to adjust them according to natural market mechanisms, as a way to protect countries that import primary commodities, i.e., consumers, from the dangers posed by the formation of producer blocs. At that time, a temporary committee was formed to coordinate regarding international arrangements related to primary commodities. Its task was to submit recommendations to negotiating conferences held under U.N. auspices. These efforts did not produce any significant results, until UNCTAD (United Nations Conference on Trade and Development) was commissioned in the mid-seventies to supervise the implementation of an integrated commodities program, which resulted, after long and difficult negotiations, in the conclusion of 16 commodities agreements (which cover cocoa, sugar, coffee, cotton, bananas, rubber, gum, many minerals, such as phosphates, bauxite, magnesium, iron ore, and copper, and jute, fibers, meat, and vegetable oils).

Nonetheless, the integrated commodities program was unable to establish minimum price floors. Consequently, chaos continued to exist in the primary commodities markets. Moreover, an urgent need emerged for the creation of a compensatory financing mechanism to compensate producer countries whose export proceeds are damaged by any increase in their indebtedness. Hence, consideration was given to establishing a joint fund for primary commodities, to begin operating from Amsterdam in 1989. This fund operates through two channels: The first is its right to intervene as a buyer (or seller) in the primary commodities market to exercise price control, and the second is its provision of technical assistance to developing countries. Efforts are currently underway through the second channel, because activity through the first channel, in the form that had been desired, is currently precluded by a shortage of resources and the absence of political will on the part of the advanced countries.

Thus, despite the magnitude and diversity of the efforts being made, the essence of the problem remains, namely that there is a conflict of interests between producers and consumers and a lack of confidence on the part of producers, i.e., developing countries, in their ability to affect the course and results of negotiations, which

usually assume the form of a confrontation between the southern, producer countries and the northern, importer countries.

[Uthman] However, some say that the Uruguay Round of negotiations aims to establish a new, international commercial order. How can the African countries influence the shape of this new order?

[Ghali] The African countries, since the start of the Uruguay Round of negotiations in 1987, have been consulting among each other regularly, not only because they currently constitute the weakest link in the international commercial order, but also because they are convinced of the need to participate in formulating this order and determining the form of the mechanisms that will govern it. The advanced Western countries aim to establish an order based on the philosophy of market forces and open, free competition. As for the developing countries, which include Egypt and the African countries, they are aiming to establish a new order based on the concept of development, given that development is a basic right of developing countries and a primary goal that must be achieved quickly. Hence, the importance of African participation in all stages of negotiations, so that the countries of the continent can help formulate all of the touches that will make the new international commercial order an effective tool to promote development in general throughout the world.

[Uthman] What about the expected role of Egypt in Africa, especially after the declaration of the establishment of an African economic community, which aims to achieve integration between the African countries through a common African market?

[Ghali] We in Egypt have prepared ourselves to effectively participate in making the African economic group successful, inasmuch as it is the remaining hope for achieving integration at the level of the continent. We and our African partners have the political will to achieve the hoped for success by establishing capabilities that serve this vital, important project. This will be discussed at the African summit conference in Abuja, Nigeria this May.

For our part, we are encouraging the Egyptian private sector and Egyptian investors to invest in the African countries. We are also encouraging Egyptian producers and exporters to direct their goods and services toward Africa. In addition, we see a need to use the Egyptian industrial base not only to regain the markets which we have lost in recent years, but also to open new markets, especially given the current trend toward eliminating customs fees among the African countries. In this regard, we hope that the proceedings of the businessmen's conference, which will be held in Egypt in the coming weeks, will result in practical steps to encourage investment between the countries of the continent. We also hope for the success of efforts to connect Egypt with the countries of the African continent by sea and by air, because that will facilitate trade.

Planning Minister on Economy for First Half of 1990-91*91AA0342D Cairo AL-AHRAM AL-DUWALI in Arabic 21 Apr 91 p 5*

[Article by Amal 'Allam: "Follow-Up Report on Economic and Social Performance During First Half of 1990-1991; Dr. Kamal al-Janzuri, Deputy Prime Minister and Minister of Planning Announces: 52 Billion Pounds in Investment Obligations for the Public Sector and 24 Billion Pounds for the Private Sector"]

[Text] The follow-up report on economic and social performance during the first half of the 1990-1991 fiscal year showed a number of the following results:

Investment obligations which were implemented during the follow-up period amounted to approximately 7.601 billion pounds representing about 47.4 percent of the year's target investments of 16.038 billion pounds. Whereas the public sector implemented about 5.219 billion pounds of the investment obligations, and that is almost 68.7 percent of the investments that were implemented, the private sector implemented no more than about 2.383 billion pounds, which is almost 31.3 percent.

Dr. Kamal al-Janzuri, deputy prime minister and minister of planning, told Amal 'Allam, AL-AHRAM's correspondent, that investment obligations which were implemented during the follow-up period in the commodities sectors amounted to 3.578 billion pounds. Almost 2.379 billion pounds, or 66.5 percent, of these investments were in public sector projects, and approximately 1.199 billion pounds, or 33.5 percent, were in private sector projects.

Investments that were implemented in the social services sectors group amounted to about 2.109 billion pounds. About 1.299 billion pounds of that sum, or 61.5 percent, were for government and public sector projects, and about 810 million pounds, or 38.5 percent, were for private sector projects.

Investment obligations that were implemented in the production services sectors group were limited to about 1.914 billion pounds. About 1.541 billion pounds of that sum, or 80.5 percent, were for public sector projects, and about 373 million pounds, or 19.5 percent, were for the private sector.

The deputy prime minister and the minister of planning added that what was carried out during the follow-up period to update public sector and government sector projects amounted to about 1.671 billion pounds, representing about 32 percent of what was implemented. Investment obligations for expansion and renovation projects that were implemented amounted to about 2.196 billion pounds, representing about 42.1 percent of

what was targeted. About 1.351 billion pounds in investment obligations were implemented in replacement and renovation projects representing almost 26 percent of what was targeted.

Dr. al-Janzuri indicated that while the local and foreign currency component of public sector projects which were carried out during the follow-up period was about 3.474 billion pounds, representing about two thirds of the public sector's investments, the noncurrency component of grants, loans, and foreign easy terms was about 1.744 billion pounds, or one third of the public sector's investments.

The value of investments made in machinery and equipment in the public sector during the follow-up period was about 1.698 billion pounds, or 32.5 percent. The value of investments made in construction amounted to about 1.514 billion pounds or 29 percent of investments.

The value of investments made in means of transportation was about 745 million pounds, or 14.3 percent of the target.

With regard to doing business with the outside world Dr. al-Janzuri said that current payables for imported goods and services during the follow-up period amounted to about 21.551 billion pounds but that current receivables for exported goods and services amounted to about 20.827 billion pounds. There is, consequently, a deficit in the balance of trade of about 724 million pounds compared to 1.630 billion pounds during the same period of 1989-1990.

He added that the increase in liquid funds locally (general instruments of payment) during the follow-up period was about 10.291 billion pounds—a 13.8 percent increase—compared to an increase of 5.147 billion pounds—an 8.3 percent increase—during the same period of the previous fiscal year.

This is due to what is an almost 1.6 percent increase in current instruments of payment compared to a 4.2 percent increase during the same period last year. At the same time the rate of growth in similar instruments of payment rose from about 9.6 percent to 17.5 percent during the comparison period and the follow-up period, respectively.

Financial revenues for the government's accounts in the Egyptian Central Bank amounted to about 24.517 billion pounds during the follow-up period compared to 18.228 billion pounds during the same period last year.

Financial obligations during the follow-up period amounted to about 27.747 billion pounds compared to about 21.267 billion pounds during the comparison period. As a result of that the government's accounts are overdrawn to the tune of about 3.231 billion pounds, compared to 3.040 billion pounds during the comparison period. This is an increase of about 190 million pounds.

The report points out that the number of firms whose establishment was approved during this period amounts to about 130: 80 of these firms are joint stock companies, and approximately 50 are limited liability companies. The authorized capital is about 622 million pounds.

With regard to doing business with the outside world the report made it clear that the value of imported goods rose to approximately 14.470 billion pounds compared to approximately 13.033 billion, an 11 percent increase. Returns from exported goods rose to 4.982 billion pounds: an increase of 298 million pounds (6.4 percent) over the similar period. The report affirmed that remittances from Egyptians working abroad rose significantly to 6.06 billion pounds compared to 4.716 billion pounds during the similar period last year: a 28.5 percent increase.

With regard to sectors of the economy, the total investments of the Ministry of Agriculture amounted to 262 million pounds. About 311,000 feddans were improved in the agriculture sector. With regard to land reclamation, investments which were carried out during that period amounted to 206 million pounds.

With regard to the Ministry of Industry total investments that were carried out amounted to 440 million pounds. Total investments made by the Ministry of Supply amounted to about 48 million pounds. Total investments carried out by the Ministry of Housing amounted to 153 million pounds. Confirmed cement production during the six months amounted to 7.7 million pounds, and the number of residential units which were completed amounted to 63,600.

Opposition Parties React to IMF Agreement

91AA0342A Cairo AL-AHRAM AL-DUWALI in Arabic
20 Apr 91 p 8

[Article by Ahmad al-Batriq: "Partisan Life: Between the Political Debate and the Economic Debate Parties Are Wondering Why the Government Is Concealing the Terms of Its Agreement With the IMF; Labor Party Prefers Agreements With Arabs To Having Agreement With International Financing Organizations"]

[Text] Egyptian opposition parties have expressed their hope that Egypt's agreement with the IMF will lead to total reform of the economy. They are hoping this agreement will rescue Egypt from the successive series of economic blunders which have had a negative effect on development plans and failed to lift the burden borne by people living on fixed incomes. This would have been the natural outcome of putting the new policies in action. It was on the basis of these new policies that the recent agreement in principle was signed.

Political parties demanded that these policies, which rely on a free market economy, be carried out simultaneously with total political reform, which would emphasize the true meaning of democracy. These political parties

emphasized that democracy was the main criterion for achieving the success which is being sought in rebuilding the Egyptian economy.

These political parties stated that although the IMF's prescriptions in many countries where similar policies were applied yielded no results to speak of, there is much hope that the so-called "economic prescription" will achieve the success which is being sought. There is a general feeling on both the official and popular levels that such steps are important to get the country moving again.

The Problem Is Multidimensional

Mr. Kamal Kirah, secretary general of the Green Party said, "The agreement with the IMF will give us time to catch our breath. However, we have to have a general plan for reform. The truth is Egypt does need reform, and the policies that are being followed need to be changed. This will not happen, however, unless the practice of democracy is broadened and strengthened to provide an incentive for all tendencies to join in carrying out a national action."

Mr. Kirah said that the problem was multidimensional and that it touched people in all walks of life. "The problem lies in the fact that we cannot produce enough to allow us to keep up with development plans whose aim is to get Egypt beyond the bottleneck of the economic problem."

Unsuitable Circumstances

Mr. Muhammad Farid Zakariya, authorized representative of the Liberal Party, said, "The People's Assembly was supposed to hold hearings and to question the representatives of various political parties and tendencies before the agreement with the IMF was to be signed. The hearings were to be held so that political parties, the government, and opposition parties would agree at the very least to signing the agreement with the IMF. They would then have a role to play in persuading the public that they have to accept any new measures which could affect the standards of their lives in the coming period.

"Also, the government must follow more austere policies now so it can persuade the people that it is serious about reform."

The party's legal representative said that his party thought that the time for signing the agreement was not suitable. He said economic circumstances were difficult and unfavorable in the wake of the Gulf crisis: local revenues from oil, tourism, and the Suez Canal had dropped, and revenues for Egyptians as well as remittances from them had also fallen.

Debt Cancellation and Assistance But...

Mr. Ahmad al-Sabahi, president of al-Ummah Party said, "Egypt has had a difference with the IMF for many years. The present agreement represents the changes in the new economic plans which Egypt has been asking for.

These are the new economic plans which are to go into effect during the coming stage."

Mr. al-Sabahi added, "Economists advised in favor of signing the agreement. They offered this advice at a time when several studies were underway and before any steps were taken. This was done so that a gradual economic plan can be achieved which would not have unexpected negative effects on large numbers of citizens."

Mr. Ahmad al-Sabahi made it clear that Egypt will receive many benefits after this agreement is signed. New segments of Egypt's debts will be canceled, and Egypt will receive more economic assistance. This will certainly help Egypt achieve the goals of its economic programs which will be going hand in hand with the signing of this agreement.

The president of al-Ummah Party affirmed that Egypt's position on the Gulf war gave it credibility with all the countries of the world. He said that Egypt's credibility was certainly directly instrumental in getting the IMF to understand Egypt's position and its economic circumstances. Egypt's credibility got the IMF to go along with the restrictions Egypt was insisting upon to spare Egyptians, especially those on fixed incomes, any negative effects to which they might be subjected if terms and conditions were applied.

Al-Sabahi had this to say about the economic policies that are being pursued at the present time: "A free economy must accompany the policies which are supposed to be pursued, provided the government gets rid of its way of taking measures and doing business.

"Will the new measures follow the standards which the government is using at the present time? If they are, nothing will be accomplished. From now on the whole picture must become clear. Will Egypt's economy become a market economy or will it be a guided economy? Will it become a mix of a market economy and a guided economy? To date, all these matters remain unclear."

Mr. Ahmad al-Sabahi, president of al-Ummah Party, ended his statement by saying that it was the public, not political parties, who were demanding that Egypt be delivered from its economic mishaps so they can have the honorable life they have been dreaming of. He called for the agreement and its terms to be made public in a clear manner so that any conditions which may have to be implemented would be accepted.

The Effects of Signing

Mr. 'Ali Salamah, assistant secretary general of the Wafd Party, said, "There is no doubt that ordinary citizens will be directly affected by the measures which will follow the signing of the agreement whose aim is to rebuild the Egyptian economy whose collapse is attributable to the irregular policies which were being pursued by successive governments during the previous periods. Another aim of the agreement," according to Mr. Salamah, "is to

place Egypt on the proper road after a solution became impossible as a result of the government's rejection of the alternate policies which were proposed by the Wafd Party and by other opposition parties to correct the course of the economy."

Mr. Salamah said, "The method which is being pursued at the present time cannot help Egypt stay on the proper road. And that is why a radical change is a must. Democracy is the real avenue leading to such a change, and that will not be achieved without reconsidering the existing constitution.

"Many Egyptians, unfortunately, are keeping their money and their savings abroad. They are investing their money abroad because they do not feel confident about investing it in Egypt. The Socialist Public Prosecutor Act permits the confiscation and sequestration of property. And that is one example of bad laws which run against the proper movement of the economy."

He continued, "We must have real democracy, broad freedoms, and a new constitution so that each citizen can feel that his money is safe and that he himself and his honor are also safe."

Mr. 'Ali Salamah concluded by saying, "As long as democracy is missing, signing the agreement will not lead to total reform."

The Fears of the Grouping Party

Dr. 'Abd-al-'Azim Anis from the Grouping party said that he feels very apprehensive that a general feeling of impending prosperity might become prevalent among a large number of citizens. "What I fear most is that the problems will continue despite everything that is being said." He said that the reduction of Egyptian debts was an appropriate measure which must be put to good use.

Dr. 'Abd-al-'Azim Anis rejected the agreement which Egypt signed with the IMF, and he said that Egypt's acceptance of that agreement means that Egypt is committing itself to terms set by foreign financial organizations which take their own interests into consideration and not those of the Egyptian economy. He said that that threatened a return to the situation Egypt was in when Isma'il Pasha was in power. He said that the current economic policies which were being pursued by the Egyptian Government will have a negative effect on the course of the Egyptian economy, and he concluded by saying that he was not optimistic.

Policies That Do Not Achieve the Objective

Mr. 'Abbas al-Misri, organizational secretary of Misr al-Fatah Party, said that the goal which is being sought cannot be achieved by pursuing the policies which are being pursued now after the agreement with the IMF was signed. He said there was no clear conception of what economic method or system Egypt will be following.

He said, "Why is there a sense of apprehension regarding an unequivocal declaration about the new method that

will be followed? If such an announcement were made, every citizen would know what his rights and obligations were." Then he said that stable conditions can be guaranteed by true democracy, especially if the real majority agrees with any decision that is made and the opposition is bound by it.

A Prescription Which Did Not Work

Mr. Majdi Ahmad Husayn, member of the Labor Party's Supreme Board, said, "The IMF's prescription did not succeed before in any country in the world. It does not bode well here because the circumstances of the various forces of production do not allow an increase in wages to counter current and expected price increases at a time when the incomes of most Egyptian families fell sharply as a result of the Gulf crisis and its effects." He said that what was done with the IMF was not an agreement but rather a long-term strategy that will inflict considerable suffering on society.

Mr. Husayn said that the Labor Party was not against a free market economy, but that the state had to interfere in economic operations just as states do in most countries of the advanced world where the market and its machinery are controlled by the state. "What is happening in Egypt now is what we may call a mixed style." He said that Egypt was one of the largest countries of the Third World and that it was a likely candidate for breaking out of the confines of this backward world. "Egypt can take care of the budget deficit and the imbalance in its balance of payments. That is why a local plan whose application depends upon financing from Arab funds can solve all existing problems, provided such a local plan is accompanied by broader and more meaningful democratic practices which would make clear what are images and what are facts and involve citizens more actively in any of the measures which may be taken."

Mr. Majdi Ahmad Husayn concluded by saying that all the roads which must be taken to get rid of existing problems were fraught with danger. "However, an independent plan which depends on Arab considerations will be much better for Egypt. Such a plan that does not have to deal with IMF terms would be better for Egypt because IMF terms are concerned only with the interests of the international system even though the Fund may appear at first to be playing an advisory role, offering expertise and advice and testimonials of economic success."

Involvement in Reconstruction of Kuwait

Two Teams to Study, Participate

91AA0393A Cairo AL-AHRAM AL-DUWALI in Arabic
18 May 91 p 5

[Article by 'Abd-al-Fattah Ibrahim: "Al-Kafrawi Declares: Fifteen Companies To Begin Immediately Reconstruction Work in Kuwait at Cost of 3.5 Billion Pounds"]

[Text] 'Abdallah al-Kafrawi, the minister of reconstruction and housing, has announced that a working team has been formed from 15 giant public and private sector companies and consulting firms to begin immediately reconstruction work in Kuwait at a cost of 3.5 billion pounds and that another team of reconstruction, petroleum, and scientific research experts has been formed to examine the possibility of Egypt's assumption of the task of extinguishing Kuwait's burning oil wells which is estimated to cost \$20 billion. He made the announcement at his meeting yesterday with the companies which will take part in the reconstruction.

The minister added that a delegation from the Engineers Union and from trade and general labor groups will leave Cairo for Kuwait this week to study Kuwait's needs of vocational and skilled labor in all fields.

Al-Kafrawi pointed out that Kuwait's minister of commerce and Kuwaiti businessmen have agreed to organize a fair for Egyptian products from 24-29 May 1991 in order to supply the needs of Kuwaiti citizens. Moreover, an Egyptian fair to be built in Kuwait at the site designated for permanent fairs will be completed in two years.

On the other hand, the minister noted that 16 drinking water plants will be completed by year's end to end the problem of water shortage in all areas. The water projects will cost 4.5 billion pounds.

He added that 24 major sanitary sewerage plants covering 24 cities will be completed this year at a cost of 3 billion dollars. Moreover, 160 plants with various capacities are being now developed to cover all towns and a number of adjacent villages at a cost of 4.5 billion pounds. Citizens and local governments will contribute to the cost of building subsidiary networks. Each citizen living in the cities and villages that will be covered by sanitary sewerage services will pay a sum of five pounds monthly.

Work is also under way to create 18 water and sanitary sewerage companies to manage, maintain, and operate plants that will be completed in all governorates. This is in addition to training skilled labor and cadres on the modern technology involved in the plants and the networks so as to protect public investments.

Second Opportunity

91AA0393B Cairo AL-AHRAM AL-IQTISADI in Arabic
29 Apr 91 pp 14-15

[Article by Nu'man al-Zayyati: "Who Will Win Second Round in Race to Rebuild Kuwait"]

[Text] As soon as the first spark of the Gulf developments burst forth and before the international desert storm offensive was launched to liberate Kuwait, the Western agencies were preparing for the post-destruction phase, i.e., for reconstruction. In fact, Kuwait's pie was divided as of the first moment of the cease-fire. From

this day and for several years to come, Western agencies with all their tendencies and levels will be occupied with Kuwait which has become a main station for businessmen and for people with various projects. Because the cake is big, there has been a furiously raging struggle for it. Amidst this struggle, we have stood like a spectator until the opportunity was lost at the time. Signs looming on the horizon currently say that there is still a second round in the race to rebuild Kuwait. Will we learn from the first lesson and make our move or will we wait until the opportunity is lost for a second time?

The first point to which we must cling, according to Sulayman Majid al-Shahin, undersecretary of the Ministry of Foreign Trade, is that there be a political and moral commitment by the Kuwaiti Government to the countries which supported Kuwait in its ordeal. He noted that the decree to abolish [past] contracts does not nullify Kuwait's commitments and that Kuwait's enlistment of U.S. assistance in the emergency plan for security, defense, pollution control, and extinguishing oil well fires is tied to the supply of advanced technology and trained labor that is unavailable in Egypt. Al-Shahin called for creating Egyptian consortiums and firms to secure a lot of the work to rebuild Kuwait.

The second point is that serious efforts made by Egyptian companies, led by Minister Hasaballah al-Kafrawi, in contacting U.S. firms to get subcontracts must continue in a more concerted manner and for a longer period of time.

The third point is that the concerted endeavors being made by the Egyptian delegation, led by Dr. 'Atif 'Ubayd, the minister of cabinet affairs and minister of state for administrative development, and by 'Abd-al-Ra'uf al-Ridi, Egypt's ambassador to the United States, in the form of meetings with members of U.S. chambers of commerce in Atlanta and Washington to encourage U.S. investments and to discuss giving Egyptian companies new work in the reconstruction effort—these concerted endeavors must also be continued with delegations of Egyptian businessmen and companies.

Western firms, whether French or British, have been moving in all directions. Matters have reached the point where the British secretary for trade and industry has protested to the Kuwaiti Government because of discrimination by the Reconstruction Bureau against British firms, considering that 25 British firms were unable to submit their bids within a two-day grace period given them whereas U.S. firms had been given sufficient advance notice.

In May, British firms, with their various organizations and their strong union, will organize an international conference in London on the reconstruction of Kuwait. Are we seriously prepared to take part in this conference and have we united our ranks with a single delegation which will present our expertise and our previous accomplishments?

Where do we stand vis-a-vis all this?

Have we prepared ourselves for the next phase?

Samir 'Allam, president of the Public Contracting Company, has said that Kuwait is now going through the urgent phase which encompasses in part the reconstruction effort and in part import supplies for this urgent phase. Kuwait then has to resort to foreign companies to supply the necessary spare parts and equipment, such as electric power plants. Mother companies have to postpone repairing what has been destroyed to a later phase. According to what I have seen there, the situation requires the Kuwaiti administration to make a survey and prepare lists of the damages sustained and then determine the method of restoration. It also has to prepare documents and invite bids for implementing the work. Or the administration may assign the work to some companies specialized in this area. All this requires time to complete. The contracting companies will, of course, have an influential role in the coming phase. We concluded a contract for restoring a part of the guest palace that was needed urgently in a very short time. We rebuilt this part in record time and at the highest quality standard. A number of U.S. and British firms that have obtained contracts in Kuwait have already been reviewed and efforts are under way to establish cooperation with them.

Samir 'Allam has urged the Kuwaiti Government to offer facilities in connection with letters of surety issued by banks to cover the initial and final guarantees demanded for bids. He has proposed that a fund be established to finance these projects through exchange between Egyptian and Kuwaiti circles. He has also stressed the need to create a single organization for Egyptian contractors that is similar to the British organization that encompasses all specializations so that we can speak in the name of Egypt's contractors and make it easier for others to acquire information about the Egyptian contractor.

According to Samir 'Allam, the Egyptian contractor enjoys a good reputation and possesses a lot of the high expertise available in most countries of the world, especially in the Arab countries. We have already carried out work in most Arab countries. All the major projects implemented in Egypt recently have been built by Egyptian hands, especially the sanitary sewerage project, the water purification plant, the new communities, and housing of all kinds.

Engineer Khalid Mustafa, chairman of al-Nasr Utilities and Installations Company, has said that Egyptian companies are capable of building infrastructure projects and that they have specialists to blueprint, build, manufacture, supply, install, operate, and maintain utility projects (drinking water, sanitary sewerage, industrial waste disposal, electricity, telephones, roads, and petroleum). He stressed the need for coordination and integration between Egyptian companies so that they can move as a complete team, each member in its own field. He has urged the Egyptian Government to intercede with the Kuwaiti Government so that the latter would

allocate partnership contracts to Egyptians. As for the initial letter of surety and the execution guarantee which are demanded in dollars, [he has urged that] guarantees issued by the ministries concerned be accepted as an alternative to the letters of surety issued by banks.

Engineer Mustafa added that 11 Egyptian firms have been chosen to implement a number of projects in Kuwait, namely: Arab Contractors, Egyptian Contracting, al-Nasr for General Contracts, al-Nasr for Buildings and Construction, Industrial and Engineering Projects, al-Nasr for Utilities and Installations, al-Nil General Company for Reinforced Cement, Egyptian Joint-Stock Company, General Contracting Company, al-Jizah Contracting Company, and General Company for Installations.

The heads of Egyptian companies also have to make efforts to obtain work contracts. A number of companies in Kuwait are headed by Egyptians. Moreover, some of the foreign companies which have been awarded contracts have good relations with Egyptian companies and they may deal with these companies to implement some work in Kuwait.

Serious Movement

Engineer Sulayman Rida, president of the Egyptian Aluminum Company and chairman of the Arab Engineering Industries Federation, has stressed the need for serious movement as quickly as possible in order to acquire contracts in the coming period because the opportunity is still available. He said that the emphasis must be put on all the Gulf states and that the Egyptian Government should conclude the necessary protocols to ensure the Egyptian companies' dues in the Arab world. Regrettably, most people imagine that we have emerged from the Kuwait war with a victory at the political and Arab level unaccompanied by any economic accomplishment. Regrettably, this is a major fallacy. Canceling a part of the debts [owed by Egypt] is a major economic accomplishment. The vigilant movement of Egyptian policy under the leadership of President Mubarak will make the opportunity available to the Egyptian companies in the next phase. But we have to move vigilantly and make efforts to establish an Arab bank to finance the reconstruction of Kuwait, Iraq, and the countries that have been affected by the Gulf war. We also have to make efforts to have the restrictions imposed on Egyptian companies abolished.

Engineer Sulayman Rida has also urged that movement be made through Saudi companies which have prepared to participate in the reconstruction, especially by supplying the raw materials for reconstruction. What is more, some Saudi companies have drafted plans to supply Kuwait with drugs and food products.

Petroleum and Seeking a Role

Engineer Kamal Mustafa, the Petrojet Company chairman, has said that the oil industry is an international industry. It cannot be said that it is a local industry

because it operates in accordance with U.S. standards in all countries of the world. Extinguishing the burning oil wells and resuming operation of the oil installations will take a longer time than has been expected and will cost, according to Red Adair, the American international oil expert, nearly \$20 billion. He has also estimated that 3-5 years are needed to accomplish this task.

Engineer Kamal Mustafa added that Egyptian companies operate at a very high standard and have high expertise and skilled labor that is trained at the best level. He has warned of the West's avid pursuit of Egyptian skilled labor which is the most valuable thing we possess. Therefore, we have to regulate the process of participation in the reconstruction of Kuwait, especially in the sphere of oil. He has said that we have gained this expertise through direct and effective participation in implementing works and building and laying thousands of miles of crude oil and gas pipelines in the western desert, as well as building oil stores of various shapes and capacities. Productivity reached its peak in 1989 when nearly 780 km of pipelines were constructed by using the latest technological methods of automatic welding, testing, and engineering inspection. Moreover, 48 tons of steel were constructed daily in 1990.

All these works confirm the level we have achieved. Consequently, we can contribute to resuming operation of the oil wells. We doubt that the West can extinguish all these wells and resume their operation in a short time.

Muslim Brotherhood on Change of Constitution

91AA0342B Cairo AL-AHRAM AL-DUWALI in Arabic
20 Apr 91 p 8

[Article by Muhammad Yusuf al-Masri: "Muslim Brothers Mediate To End Dilemma of Opposition Parties' Differences Over the Constitution"]

[Text] Muslim Brothers are trying to mediate with different opposition parties to end the dilemma of differences which these parties have about one of their common demands, namely, the need to amend or change the existing Constitution. Opposition parties want the Constitution amended to make it compatible with the conditions of political pluralism. This demand is based on the allegation that the present Constitution was drafted under a totalitarian regime and that it was amended to make it compatible with the time when the country had partisan platforms. In the presence of political pluralism, the Constitution is no longer suitable.

Dr. Muhammad 'Asfur, member of the Supreme Board of the Wafd Party, followed the format of Western constitutions and prepared a draft constitution and an explanatory memorandum. Dr. Muhammad Hilmi Murad prepared another draft constitution on behalf of the coalition which includes Labor, the Liberal Party, and the Muslim Brotherhood. It is being described as a plan that leans toward an Islamic point of view.

The Grouping Party has its point of view. Briefly stated, that point of view is that any amendment or change in the Constitution must be made by an elected constituent assembly. The Grouping Party has reservations in principle on making any amendments to the existing Constitution. Nasirists and communists share those reservations. Except for matters of democracy and public liberties, there are major differences between the Grouping Party and members of the Wafd Party on the one hand, and between the Grouping Party and Islamic political activists, on the other, about economic, social, and ideological subjects.

That is why the Muslim Brotherhood thinks that drafting detailed constitutions in the shadow of such differences would be a waste of effort. The group is trying to say that instead of wasting our efforts, we must bring about the change by agreeing on specific principles. An agreement on those principles could actually lead to change.

Partisan sources are saying, however, that no quick or easy agreements can be reached on these general principles because of the discrepancies that exist between the principles and premises to which members of the Wafd Party as well as leftists and Islamic activists are devoted.

Every one of these groups will have to make a few concessions, and these may not be consistent with the group's partisan program or political orientation. That is why partisan circles believe that the case for amending or changing the Constitution will remain open but that no decisive conclusion will be reached.

First Two Money Exchange Companies Approved

91AA0330B London AL-SHARQ AL-AWSAT in Arabic
16 Apr 91 p 9

[Article: "Two Egyptian Money-Exchange Companies Begin Operating Next Week"]

[Text] Cairo (AL-SHARQ AL-AWSAT Bureau)—For the first time in Egypt, two money-exchange companies will begin operating next week after having obtained final approval to carry on their activity under the new banking system that began to be implemented on 27 February. The system provides for freed foreign currency exchange rates to be determined according to conditions of supply and demand.

The authorized capital of Misr Money Exchange Company is assessed at 50 million pounds and its issued capital at 25 million pounds. Partners in its capital include Bank Misr, Misr International Bank, Bank Misr Exterior, Bank Misr Roumanie, Misr Tourism Company, Misr Free Markets Company, the Egyptian Overseas Workers Investment and Development Company, the National Organization for Social Insurance, and the businessman Faruq 'Abd-al-Mun'im.

The authorized capital of the second company, the Egyptian Money Exchange and Financial Operations Company, is assessed at 1 million pounds, and its issued

capital at 1 million pounds. The company is completely owned by the private sector.

Fawzi Sallum, head of the corporations department of the Egyptian Ministry of Economy, stated that these companies had fulfilled all the required conditions for the establishment of such companies.

He added that 14 other companies have obtained preliminary approval from the Ministry of Economy and are waiting to obtain final approval to do business. In addition, 18 companies have previously been doing business in the city of Port Said. The new law stipulates that their position must be brought into line with the new system within six months. Previously, they operated without supervision by the Egyptian Central Bank, and only the provisions of the Free Zones Law were applied to them.

To date, 259 companies have applied to establish money-exchange companies. The Ministry of Economy is studying these applications and is granting preliminary approval to companies that conform to the provisions of the new foreign currency law.

Dr. Yusri Mustafa, the Egyptian minister of economy, indicated that the foreign currency exchange market will stabilize in Egypt as soon as its mechanisms are completed and after the establishment of money-exchange companies that will compete among themselves and with the banks to attract more foreign currency and lower its price.

At the same time, a number of economics experts think that the Ministry of Economy is delaying granting its approval for money-exchange companies to begin operation and is leaving the field completely open for the banks to operate alone. The evidence lies in the fact that some applications submitted by businessmen and former bank officials more than a month and a half ago still have not been studied or ruled on.

These experts added that one of the two companies that have obtained approval is fully owned by banks and insurance companies. In other words, the Egyptian market is still controlled only by the banks. It has become hard for small money-exchange companies to enter, given this difficult competition from the banks with their huge financial resources.

Although Egyptian economic officials affirm that foreign currency exchange rates are stable, the indicators show that this stability has not lasted long. Not only are the buying and selling prices of foreign currencies rising rapidly, but the gap between buying and selling prices is widening. The average buying price of the American dollar in Egyptian banks has reached 3.32 pounds, and the selling price 3.38 pounds. Last week the average buying price was about 3.31 pounds, and the average selling price was 3.35 pounds.

It should be mentioned that the Egyptian Central Bank has set the following conditions for the establishment of

money-exchange companies. They must be Egyptian joint stock companies completely owned by Egyptians. Their paid capital must be no less than 1 million Egyptian pounds. The companies must have sufficient administrative experience and the necessary competence in their field of business. The activity of these companies will be limited to buying foreign banknotes and selling them for their account, and to buying, collecting, and selling traveler's checks issued by banks operating in Egypt or abroad for their account and on their own responsibility. They will also mediate between prospective buyers and sellers of funds in foreign currency accounts within the context of the free market in foreign currency.

Writer Warns Against Population Explosion

91AA0330A Cairo AL-AKHBAR in Arabic 11 Apr 91 p 9

[Article by Sa'id Sunbul in "Good Morning" Column]

[Text] Fifty years ago, the population of Egypt did not exceed 15 million; today it is approaching 60 million. This means that the population has quadrupled compared to what it was half a century ago.

This is a frightening figure for a country with Egypt's conditions.

For example, agricultural land has not increased at the same rate as the population increase; it may even have decreased because of residential sprawl onto it. Had there not been heroic efforts to reclaim and farm land and build new cities and communities, the agricultural land area would have decreased even more.

This means that during the past half century the population has increased four fold, while the agricultural land area has remained as it was. This explains why we have been unable to provide the food we need and why we are forced to rely on overseas to provide food.

Despite all the heroic efforts to provide more services to deal with citizens' needs, services have become incapable of carrying out people's needs. The reason is clear: four people today are competing for the services that one individual enjoyed half a century ago.

If conditions continue in this way, the competition will turn into conflict between citizens for a mouthful of bread, a hospital bed, or a student's seat in school.

This is a disaster by all standards.

We never stop complaining about the high rates of population increase in Egypt. We never stop warning about the dangers this increase is causing. But what have we done to confront this problem, with its destructive effects and results? We have been satisfied with television campaigns for family planning—and it is clear that they are campaigns that have not influenced people.

The continued population increase along with the continued shortage of resources and the impossibility of increasing the agricultural land area at the same rate—these things threaten the future of Egypt and threaten continued social cohesion on its soil. This is something we have begun to feel and experience.

Most developing countries faced with a similar danger have turned to taking decisive and sometimes stern measures to protect their security and their future. The time has come in Egypt for us to turn to such methods and measures.

Complaining about the population increase does not protect Egypt's security. Indoctrination campaigns have not achieved the results that were expected. If the rates of population increase continue unabated and unopposed, a day will come when Egyptians struggle and fight with each other over a piece of bread!

IRAQ

Japanese Delegation Visits Al-Ta'mim Governorate

JN1305123691 Baghdad INA in Arabic 1032 GMT
13 May 91

[Text] Karkuk, 200 km north of Baghdad, 13 May (INA)—A delegation representing Japanese humanitarian organizations received a briefing during its visit to Al-Ta'mim Governorate about the needs of the governorate in terms of medical supplies.

During their meeting with Al-Ta'mim Governor Hashim Hasan al-Majid, the members of the delegation listened to an explanation of the efforts under way to reconstruct what was destroyed in the governorate by the war of aggression and to secure the various services for the citizens.

Iraqi Airways To Attend Air Transport Meetings in Libya

JN1405095491 Baghdad INA in Arabic 0820 GMT
14 May 91

[Text] Baghdad, 14 May (INA)—Iraqi Airways will take part in meetings of the General Assembly of the Arab Air Transport Federation due to be held in the Libyan capital, Tripoli, on 27 May.

The conferees will discuss over two days the federation's working programs for the next phase, an Arab comprehensive coverage plan, the reduction of European and U.S. competition, and the effects of this on Arab air transport activities.

The Arab Air Transport Federation comprises 17 Arab airlines, including Iraqi Airways.

JORDAN

Problems of Returnees from Kuwait Discussed*91AE0384A Amman AL-RA'Y in Arabic 2 Apr 91 p 11*

[Article by Rim al-Kilani: "AL-RA'Y Learns about Woes of People Fleeing from Gulf and Their Life's Dilemmas. Expatriates Wonder about Their Rights and Money There!"]

[Text] Flight to the homeland where peace and quiet prevail was the only way to hold on to dear life by which our expatriates could live out their lives or start a new one. Flight from hunger and deprivation and, indeed, from the harm they might have faced, was the last hope for most of them. The new life in the homeland, however, was different in every way from the few weeks or months they used to spend on summer vacation, for this period of transition is full of pain, grief, and suffering not of their own making, but rather imposed upon them by political circumstances.

But this is not all. They all spent a good part of their lives putting up with life away from home, with all the details that this entails until it became an integral part of their personality and, perhaps, their affiliation. The outcome, however, was nothing like their long-held dreams, plans, and designs.

Here in Jordan, we all know exactly how these people came. Indeed, most if not all of us have had a father, a brother, a son, or a relative, most of whom returned home without money or any other source of income save for the kindness of a small group of people who offered them modest assistance. We may hasten to ask why these people do not get a job to help them weather the crisis? I believe you all know the answer to that. The rate of inflation and unemployment afflicting Jordan makes it impossible to offer job opportunities, even to permanent residents.

Out of our belief in the expatriates' cause and the role they played in building the country, we had the following encounters:

(J.F.): A married engineer with two children, he fled with his family to the homeland with only a small amount of money that was all he could save under the recent circumstances.

"I have made many attempts to find a job, leaving no stone unturned. The problem is that I have been called to military service, and the fact is that I am unable to pay the exemption fee and cannot join the army because I have to make a living for my family.

"Yes, my military service has been deferred until April, but the problem will not go away if we do not get our savings to be able to fulfill all our obligations."

(A.M.): Father of a college student studying abroad. Due to his bad financial situation since he left Kuwait, he has been unable to support his son and has been forced to

buy him a ticket back to Amman. "If he comes to Amman, what are we going to do here about college tuition and college admission that is not guaranteed?"

(F.K.): He had been working in Kuwait since 1952 in a leading position. He settled in Kuwait even after retirement to stay close to his children. "I was visiting Jordan when events in Kuwait broke out. I was suddenly confronted with the banks closing their doors, and when they reopened later, they were disbursing small amounts of money not enough for anything. I found myself in an unenviable position from the financial point of view. Despite my repeated inquiries, I have been unable to get any of my savings in Kuwait. I have sent a letter to the Kuwaiti ambassador inquiring about the fate of expatriate savings there in the wake of the Kuwait government's return from al-Ta'if, but no one is listening. The only option I had was to borrow money and lead a bare-bones existence."

(S.N.): He and his family had been working in Kuwait for ten years, separated from his parents who live on the West Bank. "I am the sole supporter of my parents. I used to send them money every month to help them with their living expenses. Here we are now looking for someone to help us. Since I have no relatives here, I had to rent a house, not to mention school tuition for my children. My wife has sold some of her jewelry to put food on the table for the children."

Crisis Aftermath

If we were to note the ironies befalling returnees from Kuwait, we would come out with a tragedy. Here is a Jordanian family who used to live in Kuwait. It lost its provider in a car accident one week before the outbreak of the Gulf crisis and was to receive a financial settlement for its loss on 4 August 1990 to help it face the tough life.

The mother, widow, and supporter of eight children, said: "We do not have a house in Jordan, so we went to live with the children's late uncle in one room with the children's grandparents. We are living on the uncle's annuity. I have had to sell all the furniture I brought with me from Kuwait to support my children. Add to that the sugar, rice, oil, and other food items I had to sell to pay for freight charges from Kuwait to Amman and for bus transportation for me and my children." The lady went on to say: "We have always been excellent ambassadors for our country and have fulfilled our obligations toward everyone while working abroad."

Terrible Silence

A glimpse of hope appeared on the horizon, lighting up the darkness surrounding these people. The expatriates began dreaming of salvation again when, right from the outset, the Ministry of Labor announced in the various mass media to all expatriates in the Gulf in general and Kuwait in particular that they should promptly register all their claims, earnings, and savings from the various sectors at the Amman department of labor. I remember

very well the tremendous jam that enveloped that small place, with every file carrying inside it, besides legal documentation, the hope of receiving all their claims.

Ever since then, the Ministry of Labor has not broken its silence and has not explained what has happened or what could happen to all these requests. Officials, however, have strenuously refused to even touch upon this matter under the pretext that the information they have is top secret and they see no justification for making it public, notwithstanding the thousands of hands knocking on the ministry's door every day to ask what would become of them.

General Director of Jordanian-Kuwaiti Bank

We just had to turn to the Jordanian-Kuwaiti Bank on the chance that it may be involved in this matter. In an interview we had with the general director, Mr. Muhammad Jamjum, he said: "We are a Jordanian bank first and are in the same situation as the other banks. The information I have is not exactly official, but this is what I have to say:

"The Kuwaiti Government is going to reduce the number of banks to two or three and also to cut back on investment companies and bank losses."

About the banks' obligation to pay their clients' claims, Mr. Jamjum said: "I cannot answer this question, but it will not be before the first quarter, and in installments. Otherwise, banks would be susceptible to bankruptcy because, as you know, everyone wants to withdraw his savings."

About rumors in the press and among those involved in this matter that Kuwaiti banks have actually started paying out money, Mr. Jamjum said: "The National Bank of Kuwait, in coordination with the Kuwaiti Central Bank, has actually paid out savings deposited in foreign currency. This includes mainly the National Bank's employee savings and earnings and even then, only a portion of the balance was paid out to allow people to take care of themselves until the crisis is settled. It had been decided that the other banks would follow suit, but the outbreak of the war and the growing hope of returning to Kuwait compelled them to put this step on hold with the idea of pursuing it in Kuwait."

A Jordanian official who works for a major accounting firm wanted to reassure all expatriates that "the banks will honor all claims and the government will meet its payroll in full, and that the only thing in doubt is those private companies that have become insolvent and have been hurt by the crisis."

Speaker of the House

Dr. 'Abd-al-Latif 'Arabiyyat, speaker of the House, said: "There is no doubt that our citizens returning from Kuwait are part of this nation and have the right to ask for our help and attention. It is our duty to work together

to solve their problems in any way we can. We do in fact have a plan of action that includes:

- "Discussions with competent Kuwaiti Government officials about their return to their jobs in Kuwait.
- "Full payment of their claims in the event they do not return, including, besides their savings, all due wages and annuities for both private and public sector employees.
- "Serious and reasonable attempts to find suitable job opportunities within Jordan's capabilities for all those unable to return. Everyone is aware of Jordan's economic plight under the current circumstances, but we certainly are not oblivious to the Jordanian people's right to work in their homeland so that we may benefit from their experience and they may reap the benefits of their work at several levels.
- "Efforts to find job opportunities outside Jordan for those unable to return. Following the completion of appropriate measures in this regard, the employment door will soon be opened to our citizens in Yemen, Sudan, and Arab Maghreb states.
- "Speeding up required facilities through the banks to set up national projects and to support them in various ways, something that was in effect even before this crisis."

He added that there is a special committee in charge of monitoring and broaching all these issues, for "ultimately these are our people's rights and the harder we work the greater the results will be."

Dr. 'Arabiyyat went on to say: "Our expatriates used to be a source of income for Jordan and an economic pillar of the nation, and we need them badly as producers. The Palestine Committee, following a thorough discussion of the question of Palestinians in Kuwait, submitted to parliament a joint communique, which will be read in parliament, expressing the hope of the PLO and officials in Jordan that their nationals would be protected and given their full rights."

Dr. 'Arabiyyat added: "We are serious in our search and our action because, given our desire to safeguard every segment of this society, the present economic situation in Jordan cannot endure new burdens as it cannot sustain all these unemployed people."

"We will present the fruit of our efforts to the Jordanian Foreign Ministry so that it can take the appropriate measures vis-a-vis this situation."

Dr. 'Inab

Dr. Ahmad 'Inab, chairman of the Parliamentary Foreign Affairs Committee, emphasized the need to work toward the restoration of the people's rights and parliament's determination to take all possible measures to achieve that. He looks at this question as being more of a political issue than an economic one, and "so long as America is the nation's godfather, we and the Palestinians represent the orphans at the conciliation banquet."

In an interview with AL-RA'Y, Dr. 'Inab said: "We are aware of what our expatriates, who are still in Kuwait or those who have returned here during the crisis, are going through, and we are also aware of their financial and emotional plight under the current circumstances after being forced to depart, leaving behind all their money and possessions without knowing what would become of them or their belongings. They may have been able to get their personal possessions and house furniture that some of them had to sell to buy food for their children. Only a small number of them have found relatives or friends able to help out. We are also aware that we here in Jordan are in dire economic straits and the crisis was further complicated by the undeclared economic blockade that has brought market and business activity to a total halt.

"Parliament in general and the Foreign Affairs Committee in particular have a definite plan to discuss this matter as a priority and we have in fact asked the foreign minister for a meeting to discuss this matter carefully. Also, the Palestine Committee and the Freedoms Committee have prepared a similar communique that they will present to the Foreign Ministry in the next few days to help us crystallize these issues and draw up a form and a specific strategy to safeguard and demand the people's rights to put matters in good order." About the nature and form of Jordanian-Kuwaiti relations nowadays, Dr. 'Inab said: "I believe that everyone knows that we have no relations whatsoever at present.

"Furthermore, and due to the absence of government or official departments in Kuwait to follow up these matters systematically, we have been unable to get in touch with any of the officials, which is why the problem has dragged on to this point. The disagreement between us is more political than anything else, for we did not stand with Kuwait and the coalition and refused to put Jordan under anyone's tutelage." He added: "Given the worsening crisis, we have recently contacted some EC countries to act as a neutral party between us and America and the Gulf states in an effort to get out of this crisis and obtain whatever claims we have, and also to build new relations amid this disequilibrium so that they may assume a new dimension and a new form."

Asked about the kind of temporary help Jordan, represented in this committee, is able to offer the expatriates until a proper way out of this crisis can be found, Dr. 'Inab said: "We are looking into the possibility of offering in-kind assistance to them, to be charged to the recently instituted emergency budget. This is a supplemental and parallel budget for emergency cases, and we will do all we can to take advantage of it, financially and economically by supporting the expatriates through general services, and morally by making them feel that we care and are concerned about them as much in their anguish as in their joy. I would like to point out something, namely that we in Jordan are paying for our moral stand that failed to win the admiration of the superpowers, and our suffering may last a long time until they get our message the way we intended it. We will prove,

however, that we have offered the truest and most honorable formula to the Arab human being because if people aspire to greatness, they can achieve it to the same extent as their readiness to confront crises and their ability to withstand, perceive, and understand what goes on around them in Jordan."

He also said: "When we stood with Iraq, we were not seeking spoils or gains, but rather human rights on national soil and a global moral commitment to stand on the side of what is right.

"I hope that my position will not be perceived as religious chauvinism, for it is a moral stance which any Arab, who believes that Palestine is more a question of rights and morality than territory, would take." Dr. 'Inab concluded, saying: "I would like to reassure all the expatriates that we are in the process of drawing up a strategy and a special budget in light of our perceptions and our feelings about the matter, and in accordance with political actions and the success of political mediations so that we may then find the proper solutions."

Responsible Foreign Ministry Source

A responsible source in the foreign ministry announced in an interview with AL-RA'Y the set of measures the foreign ministry has adopted. He also said: "The issue of Kuwait and the people's situation there remains somewhat unclear and we cannot talk about it in detail because we at the ministry have not received from the Kuwaiti Government or the Kuwaiti Embassy anything about human conditions there and what the situation might be after the war. The matter may be very easily solved by the Kuwaiti Government allowing Jordanians to return, which is a likely possibility, or it may forbid some of them from returning, allowing only a small group in, thus compelling us to demand the rights and earnings of the people from the Kuwaiti Government and banks.

"What we can talk about, however, and we expect it is identical with the situation in Kuwait, is the question of Jordanians in Saudi Arabia and other Gulf countries who returned to Jordan right after the crisis when the authorities there informed them that their services were no longer needed or laid some of them off until they were contacted in their country.

"Following a series of appropriate diplomatic contacts with the Saudi Embassy in Jordan and the Saudi Government in Riyadh, we were able to understand the current situation of these people and finally arrived with them at a common ground whereby Gulf countries would allow Jordanian expatriates with reentry visas to return. This included teachers, engineers, and doctors who would be allowed to return to their jobs without difficulty. But, with regard to those who left without a reentry visa from the competent authorities at the borders, the Saudi Government has allowed the issuance of a power of attorney certified by the Jordanian Ministry of Labor or the Saudi Embassy to be sent by the claimant

to a reliable person there to obtain his claims, earnings, and savings via Jordanian banks."

The foreign ministry spokesman expressed his hope that the government of Kuwait would adopt a similar stand to safeguard the rights of people who spent a lifetime working for them, adding: "I believe that matters will become more clear after the first quarter and the reopening of our embassy in Kuwait and after the authorities who handle expatriate affairs adopt the right position. We will not be able to adopt any position or demand any rights before our diplomatic team arrives in Kuwait and before normal life is restored to Kuwait in a way that facilitates official contacts and the adoption of appropriate measures by the concerned sides.

"Thus, all those involved in this matter are making serious efforts to achieve a measure of success, no matter how small, and everybody, the expatriates to be exact, are submitting claims. I believe that the countdown for the crisis has already started and they may receive their rights at any moment now. We have a strong feeling that the crisis is beginning to abate and we do not know what is in store for us. But these are portraits of the expatriates' new life that has been imposed upon them by circumstances and of government attempts to give them some of what they had there. However, the matter cannot stand any more delay because the countdown has actually started and their patience and ability to bear up under these circumstances through no fault of their own are running out."

MOROCCO

Public Sector Reform Phase II To Cost \$200 Million

91AA0345A London AL-SHARQ AL-AWSAT in Arabic
22 Apr 91 p 12

[Article: "Public Sector Reform Program Enters Second Phase; Moroccan Finance Minister Expects Dirham Will Be Floated in 1993; Abolition of Restrictions on Lending Poses Threat of Resumed Inflation"]

[Text] Rabat—AL-SHARQ AL-AWSAT Bureau—At a meeting with chairmen of the foreign chambers of commerce in Morocco, Moroccan Finance Minister Mohamed Barrada has said that Morocco's balance of payments will turn positive as of 199 [as published].

Barrada said that this will permit the Moroccan dirham exchange rate to be floated.

On the other hand, economic sources in Rabat have said that the system of abolished restrictions on bank loans, which went into effect as of the beginning of this year, has begun to encounter some difficulties. Release of the interest rates has resulted in the rapid fluctuation of these rates. Moreover, cash liquidity has grown at a rapid pace, considering that loans rose by 10 percent last February. The sources said that if bank loans continue to

increase at this pace, it is expected that the monetary authorities will adopt special measures to avoid a rise in the inflation rate which amounted to 7 percent last year.

In another development, Morocco's Foreign Exchange Control Bureau adopted new measures to manage foreign currency transactions. After dirham accounts convertible to hard currency were introduced in 1989 to encourage exporting companies and after this measure was expanded last year to include companies active in deep sea fishing, a decree was issued recently to further expand this measure so that it can include commodity and service exporters and permit exporters of marine goods to dispose of 20 percent of the hard currency revenue of their exports. The decree allows service exporters the freedom to use 10 percent of such revenues. However, the decree requires that they not remit these sums to parties other than the Central Bank.

This decree followed the rise of the foreign currency reserves to \$2 billion last March. It also constitutes a partial response to the demands of the exporters' professional organizations which had urged a dual exchange rate and a free hard currency market supplied by exporters with nearly 40 percent of their export revenues. But Morocco's Currency Exchange Bureau expressed reservations on these proposals for fear of actual duality in the exchange rate and of the possibility that exporters could earn significant income from money exchange within the framework of a free market.

The Exchange Bureau believes that increased convertible dirham accounts will provide a significant part of the resources needed to finance expenses connected with the activity of exporting companies and encourages banks to prepare for the hard currency market plan.

On the other hand, economic sources in Rabat have said that Morocco's public sector reform program will soon enter its second phase which will focus on dealing with the sectorial problems and with the issue of the overdue payments which the government owes the public sector.

The cost of the program's second phase is estimated at \$200 million whereas the appropriations needed to restructure the mining sector are estimated at \$1 billion.

In the sugar sector, the program seeks to maintain the prices of domestic production at the level of international prices. In this regard, 10 public companies actively engaged in sugar production and refining will be sold to the private sector. This will be coupled with an investment of 600 million dirhams to develop irrigation in sugar-production farms.

The overdue payments the government owes public organizations, amounting to 900 million dirhams, will be paid over a three-year period.

The sources have said that the latest statistics on the outcome of the activity of the public companies slotted for privatization (75 establishments, excluding hotels) indicate that these companies' transactions amounted to

nearly 29 billion dirhams in 1989, with a growth rate of 6 percent in comparison with 1988. But the companies' net profits decreased by 5 percent, amounting to no more than 947 million dirhams.

The private sector is currently preparing to compete for the purchase of the more profitable of the 112 companies which will be designated for sale.

Agriculture Expected To Ease War, Tourism Losses

91AA0345B London AL-SHARQ AL-AWSAT in Arabic
18 Apr 91 p 8

[Article: "Moroccan Economy Overcomes Gulf War Ramifications; Flourishing Agricultural Sector Makes up for Tourism Losses; Foreign Investment Has Risen 27 Percent"]

[Text] Rabat—AL-SHARQ AL-AWSAT Bureau—Some Moroccan economic experts believe that Morocco's economy has managed to overcome the ramifications emanating from the Gulf crisis despite the suspension of trade transactions between Morocco and both Iraq and Kuwait and despite the major damage suffered by the tourism sector as a result of the crisis.

The available data and indicators show that Morocco's economy maintained a good performance level during the months of the crisis. Moreover, at the beginning of this year, investment activity recorded a growth rate exceeding the rate recorded in the corresponding period of last year and exports recorded improvement in both volume and revenues.

In this regard, sources of Morocco's Ministry of Commerce and Industry have noted that the Gulf crisis has not affected the flow of foreign investments into Morocco. These investments rose by more than 27 percent in January when the crisis peaked and amounted to \$11 million. Exports rose considerably in the second half of last year in comparison with the first half of the year. Thus, exports covered more than 65 percent of the imports.

In another development, the foreign currency reserve rose from nearly \$1.4 billion to more than \$2 billion last March, and Morocco's agricultural exports improved in the first three months of this year. In that period, citrus exports exceeded 600,000 tons.

The government committee formed immediately after Iraq's invasion of Kuwait last August to trace the ramifications of the crisis took a number of steps to counter their effect on Morocco. The most important steps were to pay insurance compensation to the companies dealing with Iraq and Kuwait, to permit them to recall their exported goods that were still en route to the Gulf or on the piers of Moroccan ports, and to encourage them to reexport the goods to other markets or to sell them to the domestic market without regard for the principle banning the domestic consumption of materials imported for the needs of the export industry. Through the Real Estate and Tourism Loan Organization, the government offered to pay the tourist companies' due loans in return for commitment on the part of the companies not to dismiss their workers. The government also provided soft-term loans to the traditional-industry cooperatives to purchase the production of factories and display it in national and international fairs. The costs of organizing these fairs is shouldered by the government which then proceeds to collect its loans from the revenue of these fairs' sales.

At the outset of the crisis, Morocco hastened to secure its oil needs by initiating negotiations with numerous sources to ensure the flow of crude oil supplies and to build up a reserve that covers the consumption needs for more than three months, keeping in mind that the plan to exploit the oil wells found in vast fields in the southern and central parts of the country was abandoned when oil prices declined internationally and when the danger of interrupted supplies receded.

After Morocco was included in the danger zone by a number of European countries, Moroccan businessman moved to counter the effects emanating from this measure, especially in the tourism, leather industry, and textile sectors.

This movement resulted in the resumption of orders placed with Moroccan textile plants to supply European markets with ready-made clothing.

In another development, Morocco's friends in France have formed a committee to promote European tourism to Morocco. Moroccan travel agencies have begun to gradually receive confirmations for reservations which had been previously canceled or suspended during the Gulf war.

Estimates show that the Moroccan economy's losses in the tourism sector will be compensated by the good agricultural crop. All reports unanimously agree that this season will be the country's most significant and successful agricultural season since 1987.

AFGHANISTAN

3 Scuds, 'Violent' Bombardment Hit Kajaghar

BK1605131491 Hong Kong AFP in English 1309 GMT
16 May 91

[Text] Peshawar, Pakistan, May 16 (AFP)—Afghan mujahidin forces have blocked two highways to obstruct army reinforcements reaching the city of Khajaghar, which was hit by three scud missiles following its take-over by the rebels, rebel sources said Thursday.

The attacks Wednesday were accompanied by violent aerial bombardments of the city and surrounding areas by unidentified aircraft which, the sources said, could have been Soviet.

In a radio message, rebel Commander Ahmed Shah Mas'ud said the attacks had "not left many victims," and that the rebels still held Khajaghar.

His spokesman here, Ahmed Zia, said Cmdr. Mas'ud's fighters had succeeded since Saturday in blocking the Sher Khan Bandar-Kunduz and Abdan-Khajaghar Highways.

After the loss of the provincial capital of Taloqan to the rebels, Khajaghar, not far from the Soviet border, became the government administrative centre for Takhar Province.

But the rebels claim to have taken it Monday and to have consolidated their hold on it two days later with the taking of an army base on its outskirts.

Fighting is continuing in the area, Mr. Zia said.

Elsewhere, mujahidin led by commander Hafiz Arbab were ringing the city of Maimana, capital of Faryab Province, Mr. Zia said. The guerrillas have stepped up their operations, especially in northern and southeastern Afghanistan, since their March 31 capture of the strategically important city of Khowst.

10,000 Mujahidin Attack Qandahar, No Kabul Confirmation

LD1805185191 (Clandestine) Voice of Islamic Revolution of Afghanistan in Dari 1700 GMT 18 May 91

[Text] According to reports received, the Muslim mujahidin recently launched a major attack on Qandahar city—the second important city in Afghanistan.

According to a report which quotes a mujahidin spokesman, 10,000 mujahidin under a single command launched an artillery and heavy weapons attack on Qandahar city from all sides.

The mujahidin's spokesman said that during this attack the aircraft of the Kabul regime raided the mujahidin's positions around Qandahar. One of the aircraft was shot down by an anti-aircraft gun. The Kabul regime has not yet confirmed these reports.

Heavy Weapons Fired at Qandahar, Residents Protest

LD1905211291 Kabul Domestic Service in Pashto
1530 GMT 19 May 91

[Text] In spite of the fact that residents of Qandahar city—elders, clergymen, tribal leaders—held a meeting on 15 May with armed opposition commanders in Arghandab district near Qandahar, and issued an edict in keeping with Islam, some [opposition] groups associated with Pakistan and the Wahhabis ignored the edict and, against the order of God and the tenets of Islam, continued firing heavy weapons into residential areas, mosques, and sacred sites [in Qandahar]. This belligerent act on the part of these groups has sparked off much anger and hatred among our faithful and patriotic people. Today, 19 May, elders, clergymen, leaders of tribes and clans, as well as a large number of people from Qandahar city and districts, held a large meeting in Qandahar in accordance with the edict and in line with the fine tradition of the Afghan people.

During the meeting clergymen delivered speeches on the need to ensure peace and national unity in the country, and urged that in accordance with the tenets of Islam the people should make further efforts for the cessation of the war, and ensure calm and unity among the Afghans. Speakers condemned the interference of Pakistani colonels and Punjabis which is being exercised in contravention of Islam and the interests of the people of the country. The meeting was concluded with prayers for peace and the unity of the people of the country.

Mujahidin Down Helicopter in Qandahar, Destroy 2 Bases

BK2305062691 Islamabad Radio Pakistan Network
in Urdu 0600 GMT 23 May 91

[Text] According to reports from Afghanistan, mujahidin shot down a helicopter in Qandahar, killing the pilot and the crew. Mujahidin also reportedly destroyed two military posts at (Dasht-e Babut) of Lowgar Valley south of Kabul.

The Kabul regime launched Scud missile attacks on Khvajeh Ghar, martyring at least 20 and wounding 26 mujahidin. Air attacks have been continuing since mujahidin captured Khvajeh Ghar near the Soviet border.

INDIA

New Restrictions on Imports Announced

91AS0911A Madras THE HINDU in English 24 Apr 91 p 1

[Text] New Delhi, April 23—The Government today announced another series of measures aimed at further

clamping down on imports while simultaneously forcing exporters to get back their realisations at an early date. According to official estimates, as much as \$1 billion is outstanding in terms of export realisations even as the country faces a severe foreign exchange crunch.

According to reports from Bombay, the Reserve Bank of India (RBI) has issued fresh guidelines on margin money requirement for importers. Effective Tuesday, importers seeking to open letters of credit (L/Cs) for imports against the open general licence (OGL) will have to deposit margin money to the extent of 200 percent of the value of the L/C up from the 133 percent stipulated earlier. Similarly, imports under specific licences will require a margin money deposit of 150 percent against 110 percent earlier. However, imports of life-saving equipment up to a value of Rs. [rupees] 2 lakhs have been exempted from the margin requirements.

The RBI has also brought all foreign exchange sale above Rs. 2.5 crores by authorised foreign exchange dealers under close scrutiny by stipulating that such sales should be referred to the regional office of the Exchange Control Department before the actual transaction takes place. This provision, however, exempts repayments under the foreign currency non-resident (FCNR) account and the non-resident external (NRE) account.

Two-pronged strategy: As for forcing exporters to get back their sale proceeds at the earliest, a two-pronged strategy has been adopted. First, post-shipment export credit interest rates have been hiked steeply from even the revised levels announced just a few days ago. Secondly, the Chief Controller of Imports and Exports (CCI&E) has laid down that replenishment licences (Rep licences) will now be issued to exporters only after the foreign exchange remittances against exports are actually received. Earlier, the Rep licence was issued on the presentation of shipping bills and other relevant documents.

As an additional benefit, it has been proposed that imports against these Rep licences (issued after the foreign exchange is realised) will be exempt from the margin money requirements of the RBI.

Interest rate: As for post-shipment export credit, the interest rate will be 7 percent for the first 45 days and 8.65 percent for the period beyond 45 days and up to 90 days. Earlier, the rate was 8.65 percent for the combined period up to 90 days. At the second stage, the interest rate will be a steep 18 percent (against 16 percent announced a few days ago) for the period beyond 90 days and up to 180 days and the higher interest will be applicable for the whole period, that is, from the date of shipment.

In case the export proceeds are still not realised, the rate of interest will go up to 25 percent beyond 180 days (the rate had been recently raised to 18 percent) and will also be applicable from the initial date of extension of credit.

The new stipulations of margin money requirements for imports come in the wake of the announcement by the Finance Minister, Mr. Yashwant Sinha, last week that the Government would practically freeze foreign exchange allocations for domestic consumption at least till June-July when the new Government will be in a position to negotiate fresh external assistance. This is being done to avoid default in international repayment obligations even at the cost of a slow down in economic growth.

On the other hand, the constant devaluation of the Indian rupee vis-a-vis major currencies had prompted exporters to delay remittances in order to take advantage of the higher rupee equivalent against foreign currency earnings. This is sought to be negated through higher interest rates on post-shipment credit.

Expectations for Spring Harvest Told

91AS0910A Madras THE HINDU in English 24 Apr 91 p 10

[Text] New Delhi, April 23—The country is heading for a third successive bumper grain harvest, though rabi production is expected to be marginally less than the target. With kharif production crossing the targeted 99.1 million tonnes and wheat maintaining its stable output level, the overall foodgrains production during 1990-91 is expected to reach 177.5 million tonnes, one million tonnes more than the target set by the Government. The production for the last two years was 170.6 million tonnes in 1989-90 and 169.9 million tonnes in 1988-89. These were considered new peaks compared to the earlier years when the output had remained at 140 million tonnes.

Grain production touched 101.3 million tonnes during the kharif season this year and it is estimated it will touch 74.7 to 76.2 million tonnes during the current rabi harvest. Although this is only a tentative figure and a final figure will be known only by July, the preliminary estimate is not likely to be far off the mark since the weather and monsoon conditions have been fairly good during this year. Even during rabi, when hailstorms lashed some parts of the northern region, the crops were not affected much, according to agricultural experts.

Pulses, oilseeds: Among other crops, particularly oilseeds and pulses, the prospect of better production seems to be bright with official estimates indicating that the targeted production will be reached. Production of pulses is expected to be 14.8 million tonnes, while that of oilseeds 18 million tonnes, of which groundnut will account for about 7.3 million tonnes. The performance of both the crops during the kharif and rabi seasons has been stable.

Although pulses were included in the technology mission for oilseeds for an integrated approach to increase productivity and production, which has stagnated for some time, kharif pulses showed some recovery by accounting for 5.8 million tonnes. The rabi output also is said to be

encouraging, with production expected to be nine million tonnes, against the target of 9.5 million tonnes.

Although there was a slight setback in oilseeds output, with poor rains during the sowing season reducing the area under groundnuts, the rabi crops made up for the loss and the bright prospects are essentially due to a bumper mustard and soyabean crop. Groundnut production is likely to be less by nine lakh tonnes against the targeted 17 lakh tonnes for the year. This is because of lesser areas being cropped due to below average rain during the kharif sowing season in the main growing areas of Gujarat and Tamil Nadu and also in parts of Maharashtra and Andhra Pradesh. But the rabi groundnut is likely to offset the loss as the estimated production is put at 20.5 million tonnes, only about 1.5 million tonnes less than the target set for it. Mustard seeds and soyabean, which are likely to contribute to oilseeds achieving the new peak of 18 million tonnes are expected to be bumper crops, raising the prospect of easy availability of edible oils at a reasonable price. Anticipating an adverse impact on the prices to farmers on account of bumper mustard crops, estimated to be 52 lakh tonnes, the Government has decided to permit the vanaspati industry to use 20 percent of the production.

The rabi rice production slumped marginally to account for 7.7 million tonnes of the targeted 8 million tonnes. But during kharif it exceeded the target by about two million tonnes. Wheat production is likely to be 54.5 million tonnes. The output of coarse cereals, which have been making slow progress in the last two years, is estimated to be higher than the target of 33.3 million tonnes.

Khamene'i Rejects U.S. Reconciliation Offer

91AS0845A Tehran KAYHAN INTERNATIONAL
in English 20 Apr 91 p 1

[Text] Mashhad, Khorassan Prov., 19 April (IRNA)—The leader of the Islamic Revolution, Ayatollah Ali Khamene'i has cast doubt over the logic behind Washington's expression of desire to improve ties with Iran.

"They will never have normal relations with a system of government which has raised Islamic values as its basis," the revered ayatollah told a group of people in this holy city Thursday.

"They (Americans) want to have friendly relations with a system of government which has nothing to do with the Islamic values and causes and which masquerades as an Islamic republic," he said.

Ayatollah Khamene'i said that "the world is still facing the onslaughts and lootings by the big powers led by the U.S."

The leader also denied allegation about Iran's involvement in the internal affairs of Iraq, saying "by offering humanitarian aid (to the refugees), we are fulfilling our Islamic duty."

Ayatollah Khamene'i arrived in this holy city on Wednesday.

IRAN

Ebrahimi Meets With Afghan Interim Government Members

LD2305120891 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 23 May 91

[Text] Sebghatullah Mojaddedi, Burhanuddin Rabbani, Sayyed Ahmad Gaylani, and Mawlawi Muhammad Nabi, members of the interim Afghan Government of the seven-party mujahedin coalition, accompanied by the spokesman and members of the Wahdat-e Eslami Party, met and conferred with Hojjat ol-Eslam val-Moslemin Ebrahimi, the leader's representative for Afghan affairs.

During the meeting, Mr. Mojaddedi began by expressing thanks for the Islamic Republic of Iran's assistance, and pleasure about the recovery of His Eminence Ayatollah Khamene'i. He said: We beseech God Almighty to preserve him for the Islamic revolution and the Muslims of the world. He stated: The world is making efforts regarding the Afghan issue. We are certain that no solution is viable without the presence of the jihad forces. Mr. Mojaddedi then called for the continuation of Iran's support for the Afghan Islamic revolution and the jihad groups.

Hojjat ol-Eslami val-Moslemin Ebrahimi remarked that the Islamic Republic, with all her power, is at the service of the innocent Afghan nation. He further added: In the Islamic Republic of Iran's diplomacy, the Afghan issue is a priority.

During the meeting, Hojjat ol-Eslam Mortazawi, the spokesman of the Wahdat-e Eslami party of Afghanistan, said that his party is ready to undertake any action to achieve the unity of all the Afghan groups.

Mines Minister Addresses Symposium on Deposits

LD2105165891 Tehran IRNA in English 1048 GMT 21 May 91

[Text] Esfahan, May 21, IRNA—The third international symposium on mines was inaugurated here Monday at the presence of domestic and foreign experts and scientists. Experts from Germany, Australia, Turkey, the U.S., Britain, the Soviet Union, Czechoslovakia, Italy, India, Canada, Hungary, China, Lebanon, and Syria are attending the six-day symposium.

In an inaugural speech, Minister of Mines and Metals, Mohammad Hoseyn Mahlujchi, said that 537 billion rials have been earmarked for investment in mines in the first five-year development plan plus a \$3 billion [as received] including the revenues from the buy back

system. The investment in the field was \$95 million and 280 billion rials till the end of the Iranian year 1367 (March 1989), he said.

The ministry's revenues were boosted through transferring a large number of mines to the private sector reaching 4.4 billion rials in 1369 [21 March 1990-20 March 1991] from 2.9 billion rials in 1367, up by 53 percent. He added that 1,600 mines containing 37 mineral substances have been located and their deposits estimated until March 1991, 783 of which were active in 1368 [21 March 1989-20 March 1990] and the number rose to 985 in 1369, up by 18 percent.

The minister told the symposium that although the mineral deposits of the country amount to billions of tons, only 50 million tons were exploited until 1369 (March 90-91).

The government is taking measures to encourage exploration activities and invested two billion rials for this purpose in 1369.

On ministry's programs, he said it intends to increase the share of mines in gross national products from the present 1 percent to 5 percent until the end of the first five-year development plan, 1994, and to 10 percent or more until the middle of the second development plan.

Another objective is to increase the exports from the present \$200 million to more than \$700 million by the end of the first development plan, he told the gathering.

Stressing the need for further research and training of the skilled manpower, he said centers have been set up for this purpose and the ministry plans not only to meet the needs of domestic metallurgical industries but also be present in international markets.

Referring to the ministry's policy of gradually making the investments in mines and the related industries independent of the government budget, he said that the objective is to make the sector a foreign exchange generating one.

Turning to the mineral reserves of the country, he said the copper reserve in Sarcheshmeh, Kerman Province, stands at 450 million tons. One hundred seventy lead and zinc mines have been located in Yazd, Golpayegan, Tabas, Anarak, and Azerbaijan the most important of which is the Angouran mine in Zanzan with proven and estimated deposits of 22 million tons. The Kushk mine in Bafq, Yazd Province has five million tons of proven and estimated reserves, Nakhlak mines in Naein, Esfahan Province, with about three million tons, and Bamakuh mines of Esfahan with 17 million tons. According to the minister the proven iron deposits of the country stand at about 1.8 billion tons mainly in Yazd, Khorasan, and Kerman provinces.

Daily Condemns Kabul Regime's 'Crimes'

NC0905184591 Tehran JOMHURI-YE ESLAMI
in Persian 23 Apr 91 p 10

[Seyyed Naqi-Javadi Afghani commentary: "The Kabul Regime Has Resorted to Yet Another Crime"]

[Text] News agencies citing Afghan Muslim mujahidin sources announced in Peshawar that three Scud missiles which hit a marketplace in the Afghan city of Asadabad killed 300 people, wounded 700, and destroyed 15 buildings and 150 shops.

As a result of the explosion, a horrible fire broke out in the region and burned all the properties of the people. It should be said that it is not surprising that when criminals are slapped in the face by the people they try to retaliate. The Kabul regime has often resorted to dastardly attacks such as bombardments or the firing of missiles following a Muslim mujahidin victory.

In order to make up for its disgraceful failure on 15 Farvardin [4 April] in the city of Khowst—followed closely by its liberation from the regime's claws and the destruction of its forces—the Kabul regime found a suitable opportunity to bomb the town. However, even the bombing did not affect the determination of the people of that city. The regime ruling Kabul resorted to this crime because it was seriously disgraced by this failure.

It is quite surprising that in his 14 Farvardin [3 April] television speech Najib, president of the usurper Kabul regime, mentioned the situation in Khowst: "Let everyone know that our efforts are for peace and reconciliation." What peace!? And what reconciliation!? Is a missile attack on a city, taking its defenseless residents unawares, setting fire to the entire city, and killing and wounding almost 1,000 people to be considered peace and reconciliation?

The regime, which portrays itself as a peace-loving and peace-seeking regime in international forums, seizes every opportunity to show that it is oppressed. It always pretends to have been taken by surprise, is now trying to gain pity.

From the very onset of the Marxist presence, Najib, the president of the regime ruling Kabul, carried out his duties in the largest Afghan spy, crime, and massacre organization. During Taraki's rule before coming to power, Najib imprisoned Afghan Muslims in the dungeons of Kabul's Pol-e Charkhi prison on various pretexts. He would sometimes go to the prison at night and issue orders to torture Muslim children. Sometimes he himself tortured the prisoners with electrical equipment. His last deed is an example of his evil character. His allegation that he wants a peaceful solution to Afghanistan's problem is nothing but a ploy because, if he really wanted the Afghanistan problem to be solved peacefully, he would not resort to such crimes. In reality, he wants the elections to be carried out under the regime's control

so that he can cheat and pretend in international organizations that the Afghan nation wants his government to continue.

However, Afghanistan's Muslims have announced their hatred and aversion toward the regime ruling Kabul and have risen up against it. This is the best type of referendum and the Afghan nation has participated in it.

Let the regime ruling Kabul know that eventually the heroic and brave Afghan nation will take the revenge of these oppressed people's blood from the usurpers.

SAIRI Official on Iraqi Situation, Shi'ites

NC2005195091 Tehran ABRAR in Persian 11 May 91
pp 1,2

[First part of an interview with Hojjat ol-Eslam val Moslemin Seyyed Mahmud Hashemi, spokesman for the Supreme Assembly of the Islamic Revolution in Iraq [SAIRI] by unidentified ABRAR correspondent, in Qom; date not given]

[Text]

[ABRAR] What is the situation of the popular uprising in Iraq's southern cities? Do the people have the necessary morale to continue their struggle?

[Hashemi] After having gained peace of mind as far as the Kurdish-inhabited cities in northern Iraq are concerned, the criminal Iraqi regime is inflicting more pressures on the Shi'ites in the south. It has dispatched the Republican Guards to the southern provinces and is strictly controlling the southern cities and the borders between the provinces of al-Basrah and al-'Amarah with the Islamic Republic of Iran. This has led hundreds of thousands of families and mujahidin to seek refuge outside the cities and in the southern fields in Iraq. Those who have remained in the southern cities are living like refugees under dire conditions of food and medicine shortages and the lack of security. However, Iraq's mujahid youths continue to have a high morale. Sometimes they use the darkness of night to carry out their operations and to attack Ba'thist military columns and to inflict considerable losses on the Ba'thist forces. In fact, they have been so successful in these attacks that the Ba'thist forces alter their positions at night and hide in their hideouts fearing attacks by the revolutionary forces.

[ABRAR] Why have international organizations and forums been so indifferent to the suppression and homelessness of the Shi'ites in southern Iraq, and what steps have been taken to inform the world of the oppression of the Shi'ites in the south?

[Hashemi] The reason international forums are indifferent to the movement in southern Iraq is clear. World arrogance knows that the people in the south are Shi'ite Muslims and followers of pure Mohammadan Islam and of the Islamic Republic of Iran. The recent political and

propaganda attempts by America and the West in the area also stem from their fear that a revolution similar to Iran's Islamic revolution will be repeated in the region.

The Iraqi Ba'thist regime is not acceptable to all the people and opposition groups. The people in Iraq have revolted to free themselves from this criminal regime and the recent popular uprising inside Iraq and the solidarity among the rebel groups outside the country and efforts to adopt a common strategy to fight this are proofs of this. Criminal America, which knew that this movement is to the benefit of the majority of the people—that is, the true Muslims and rebel groups that oppose America and the superpowers—started to fear that the Ba'thist regime would be overthrown. Right then it stopped thinking about the regime's downfall and started to support the Ba'thist forces in order to suppress the people, especially the popular uprising in southern Iraq. It tried, by causing a rift among the people's revolutionary forces and pressurizing the Ba'thist regime to accept the demands by some of the Kurdish political groups and granting autonomy to them, to halt the popular uprising in Iraq and prevent the establishment of an Islamic rule in that country. As far as steps to inform the world of the oppression of the Shi'ites are concerned, SAIRI has always informed the world of the antipopular and criminal nature of the Ba'thist regime. It has strived to create unity and solidarity among the popular forces in the fight against Saddam's regime and to emphasize the fact that Saddam and the Ba'thist party do not enjoy popularity among all the Iraqi people.

Report on Iraqi Refugees in Khorramshahr

NC2540951 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0430 GMT
25 Apr 91

[Telephone report by unidentified correspondent in Ahvaz]

[Text] The governor of Khorramshahr has said that to date more than 34,500 residents of Iraq's southern cities have arrived in Khorramshahr through the Shalamchah border. Of this, 13,000 have been sent to camps in other towns. The governor added that the number of Iraqi refugees in two camps and in the empty houses in Khorramshahr as well as in the villages along the Shalamchah border and Pol-e Now is more than 21,000. Since Khorramshahr has been identified as a border arrival point and does not have the capability to house more than 1,000, this group of people is constantly being transferred to camps in other cities in Khuzestan province.

The Khorramshahr governor added: With the cooperation of the city's offices and institutions and especially the municipality, the [Ministry of] Construction Jihad, and the armed and security forces, various services have been extended to the refugees. Among these services we can point to the distribution of 46,000 blankets; 1,200 relief tents; 7,560 square meters of carpeting and floor

coverings; 200,000 canned goods; 560,000 loaves of bread; 70 tonnes of dates; 9,600 tins of powdered milk; 10,000 pieces of clothing; a large number of other goods and foodstuff needed by the refugees daily; 70,000 hot lunches; and 4.5 million rials to the refugees.

He added that during this same period 10,750 sick refugees have received treatment. He said that 133 operations have been done, that 13,800 children have been vaccinated, and more than 1,000 patients have been sent to hospitals in other towns of the province for treatment.

The official in charge of the Khorramshahr Crisis Headquarters also said that in view of the commencement of the hot season in Khuzestan province, the refugees need large wooden ice boxes, ice carriers, water coolers, cooling equipment, and foodstuff.

Pakistan Admiral Concludes 'Very Fruitful' Talks

*LD0505085791 Tehran IRNA in English 0513 GMT
5 May 91*

[Text] Tehran, May 5, IRNA—Chief of the Joint Staff of the Armed Forces of Pakistan Admiral Iftikhar Ahmad Sirohey left Tehran for Muscat, Oman, at the conclusion of a seven-day official visit to Tehran Saturday. The Pakistani admiral was in Tehran at the invitation of Chief of the Joint Staff of Iran General 'Ali Shahbazi.

During his stay in Iran the Pakistani official held talks with President Akbar Hashemi Rafsanjani, First Vice-President Hasan Habibi, and a group of Iranian army officials. He also visited the Iranian cities of Mashhad and Shiraz.

Iran and Pakistan are joined in a series of cooperation by means of the Economic Cooperation Organization (ECO) of which Turkey is also a member. Pakistan is also interested in entering into some form of defense treaty with Iran.

Speaking before departure the Pakistani official appreciated the hospitality accorded him by the government and people of Iran and said that his talks with the Iranian officials had been very fruitful.

New Joint Iran-Belgium Business Quarterly Published

*91AS0846B Tehran KAYHAN INTERNATIONAL
in English 20 Apr 91 p 16*

[Text] Tehran, 19 April (Kayhan Int'l)—Perhaps the major economic challenge facing the Islamic Republic of Iran in the coming decade is to expand and diversify trade relations with the outside world. In pursuit of this nationally imperative quest a significant print media contribution has recently been introduced.

The Iran-Belgium Chamber of Commerce and Industry Quarterly, published by the Iran-Belgium Chamber of Commerce and Industry has come out with volume 1,

issue 1 of its journal dedicated to enhance both trade relations and cultural understanding between the two nations. If the first issue is any measure of its success in this sphere, then the future of the J&B Quarterly is a bright one.

The quarterly is a bi-lingual offering and the materials presented between the interior and back flaps, which picture detailed maps of Iran and Belgium, are a thoughtful and practical selection of articles and not simply a random collection and paste-up operation. In addition, the English prose style, translations and editing are of a standard not yet attained by other magazines currently on the Iranian market.

Items on Iranian culture, history and geography are interspersed with a wealth of information for the serious foreign businessman seeking to enter the Iranian market, and in need of guidance as to how business is conducted here. This includes details of the rules of foreign investment, employment regulations for foreigners and trade fair participation regulations.

For information as to how to get your copy of this useful and interesting guide give the Iran-Belgium Chamber of Commerce and Industry a call at 6408718.

Bosnia-Herzegovina's Izetbegovic Meets with Velayati

*LD0405121991 Tehran Voice of the Islamic Republic of Iran First program Network in Persian 0930 GMT
4 May 91*

[Text] Mr. Alija Izetbegovic, president of the Muslim Republic of Bosnia-Herzegovina, who is on an official visit to our country, met Foreign Minister 'Ali Akbar Velayati this morning. They had talks on bilateral relations.

At the meeting, the president of Bosnia-Herzegovina announced that Yugoslavia and the Republic of Bosnia-Herzegovina are anxious to expand economic, political, and cultural ties with the Islamic Republic of Iran. He called for our country's cooperation in the strengthening of these ties. Pointing to the establishment of a joint chamber of commerce, a joint bank, purchase of oil from the Islamic Republic of Iran, and technical and industrial cooperation, he underlined the great scope for cultural cooperation between the two countries. He referred to the publication of a translation of the words of Imam 'Ali in Bosnia-Herzegovina in the near future as a basis for the expansion of cultural cooperation.

Our foreign minister then expressed his hope that the president's trip to Iran is the first step in new cooperation and the expansion of relations with Yugoslavia, especially with the Republic of Bosnia-Herzegovina. He also called for cooperation between Iran and Yugoslavia as part of the efforts of the Nonaligned Movement further to activate the role of that movement on the international scene.

Intercity Telephone Rates Increase

91AS08821A London KEYHAN in Persian 25 Apr 91
p 2

[Text] In the course of raising the rates for government services, the Islamic government has raised intercity telephone rates 20 percent.

The Iran Telephone Company announced last week that the new rate for an intercity telephone call for the year 1370 [21 March 1991 - 20 March 1992] will be about six rials per pulse, which is about 20 percent higher than last year's rate (five rials per pulse).

To obtain more revenue, in recent months the Islamic government has increased the prices of government services, and is thus fleecing the people. This also means that when the prices of government services are increased, increases follow in the prices of private sector goods and services.

Country's Water Supply Contaminated

91AS0933F London KEYHAN in Persian 9 May 91 p 4

[Text] "Currently 1.6 billion cubic meters of household sewage and a significant amount of industrial waste is going into the surface and underground water, and if steps are not taken immediately to clean up this sewage, in the future this country's water resources will be heavily damaged." The above statement was made to the media recently by Gholamreza Manuchehri, deputy minister of energy for water and sewage. While noting the dangers to public health posed by toxins going into the water supply, he said: "About 70 percent of the nation's surface and underground water resources are threatened with various forms of chemical and biological pollution." He added: This pollution is caused by chemical, industrial, and agricultural toxins and if there is no investment and pursuit of the matter of pollution, the costs of processing drinking water will quintuple in the next few decades.

Elsewhere in his press conference, the Islamic Republic's deputy minister of energy for water and sewage noted that in addition to the Ministry of Energy, other ministers such as the Ministry of Health, the Ministry of Construction Crusade, and the Ministry of Agriculture as well as some other organizations are responsible in the matter of protecting the nation's water resources.

Domestic Tractor Production Line Planned

91AS0880F Tehran ABRAR in Persian 31 Mar 91 p 2

[Interview with Minister of Heavy Industries Dr. Nejad-hoseinian by IRNA on 30 March 1991; place not given]

[Text] For the first time in the country, this year, the heavy, 110-horsepower tractor production line will be operational in the Tabriz tractor manufacturing factory, with an annual capacity of 1500 units.

This statement was announced yesterday afternoon by Dr. Nejad-hoseinian, the minister of heavy industries, in an interview with IRNA.

He said, "The Tabriz tractor manufacturing factory in 1369 [21 March 1990-20 March 1991], with a 73-percent production increase, produced a total of 6,530 "M-F" tractors, whereas this factory produced only 5,500 tractors of this kind in 1368 [21 March 1989-20 March 1990]."

He also announced that the production level of various industrial machines and vehicles in the units under the control of this ministry in 1369 [1990-91] showed a marked increase compared to 1368 [1989-90] and noted, "With the creation of new facilities by the government last year, the opening of new foreign currency credit options and other initiatives, the capabilities of industrial factories have increased significantly over those of the past. In fact, the vehicle manufacturing factories have shown an unprecedented increase in production."

He added that last year the production statistics for the SAYPA company had shown an increase of two to five times that of 1368 [1989-90].

Nejad-hoseinian expressed hope that with the production of this and other vehicle manufacturing units, the prices on the open market will be reduced to an acceptable level.

The minister of heavy industries stated that the goal of his one-day visit to Tabriz was to study the operations of several large industrial units in Tabriz over the past year as well as evaluate their future plans. He pointed out that he had visited the tractor and compressor manufacturing units and several other units.

Explaining the operation of some of these units, he stated, "Last year, the Tabriz machine manufacturing industrial unit broke its own previous records of before and after the victory of the revolution and produced 5,400 various filing, ferz [as published], and drilling machines, which is double that of 1368 [1989-90]. For the first time during the current year, the (CNC) ferz machines are also being produced in this unit."

Commentary Likens UN 'Safe Haven' Plan to Sykes-Picot Accord

91AS0845B Tehran KAYHAN INTERNATIONAL
in English 22 Apr 91 p 2

[Text] Last Thursday, 18 April, the United Nations and the Iraqi government signed a memorandum of understanding to set up U.N. relief centers of Iraqi Kurds. Better known as "safe havens," the objective of the accord was to give aid and to facilitate the return of the nearly 2m displaced Kurds who have fled to Iran and Turkey after the failure of their revolt against the government of Saddam Husayn.

A first glance, the "safe haven" concept gives the impression that it is purely a humanitarian endeavor, geared to

giving assistance to facilitate a speedy normalization of life for the Kurdish refugees. A closer look, however, will lead one to perceive a much different and alarming dimension.

Prior to Thursday's accord signed by U.N. envoy Sadrudin Aga Khan, special delegate for humanitarian operations and Iraqi Foreign Minister Ahmad Hussein Khodair, United States President George Bush had ordered American troops into Iraq to build encampments "to shelter and feed" the fleeing Kurds. Bush made the move only after a period of indecision in which he was criticized for failing to come quickly to the rescue of the Kurds who said they mounted the revolt in northern Iraq believing that the Americans would come to assist their cause.

Although United Nations Secretary General has expressed concern that Washington's "camp efforts" might violate Iraqi's sovereignty, yet it was disclosed on Friday that up to 17,000 American, British and French troops are to participate in the "safe havens" initiative. Baghdad has condemned the project but Saddam's government is at the allies' mercy after its defeat in the war over Kuwait and has given no sign it will interfere.

The U.S.-French-British drive to set up Kurdish "sanctuaries" brings to mind the secret and infamous Sykes-Picot agreement of 1916 which was the instrument that oversaw the break-up of the Ottoman Empire, spawned Iraq and led eventually to the British drawing the Iraq-Kuwait border that was a factor in the last war, i.e., denying Iraq access to the Persian Gulf.

The Balance of power thinking spawned by the Sykes-Picot accord also played a part in the Iran-Iraq war in that the Islamic Revolution was a threat to the order the British established through the royal families (Sabah, Saud, Hussein of Jordan, etc.). It was also Sykes-Picot that put Palestine under the British mandate that subsequently led to the disappearance of Palestine.

And, while the Sykes-Picot concept was part of the great powers' maneuvering early in the century, it is interesting to note that the present "safe havens" project has been authored by the same powers that conceived the Sykes-Picot doctrine. All that to say, that despite at first glance, the Kurdish sanctuaries idea of Washington-Paris-London having an aura of humanitarian concern for the Kurds, it is perhaps naive not to think that much longer term meddling in the area is really the name of the game.

Lastly, this "safe haven" business smells as if America and friends are trying to 1) deflect criticism that they betrayed the Kurds, 2) keep Saddam Hussein in place and maintain his menace as a way to prop up both the Sabahs and Sauds (thereby thwarting political pluralism) and, 3) give themselves a pretext for a good long stay in Kurdistan to foment who knows what under the fig leaf of Kurdish protection. The British mandate in Palestine gave them the responsibility to "protect" the Palestinians. It turned out that the wolf was guarding the sheep.

As to how long their expanded presence in Iraq will last, a U.S. State Department spokesman left nothing to the imagination when he said: "There'll be a kind of gradual takeover that will take a few weeks and hopefully, we will be out as soon as possible. But it's impossible to say how long that might be at this point."

SRI LANKA

Presidential Intervention Refinances Garment Industry

91AS0909C Colombo *THE ISLAND* in English
18 Apr 91 p 1

[Article by Nisthar Cassim: "To Help Garment Exporters; President Directs Central Bank To Continue With Re-Finance Facility"; quotation marks as published]

[Text] President Premadasa has moved swiftly to countermand the withdrawal by the Central Bank of the re-finance facility extended to garment exporters.

Finance Ministry officials said yesterday that the President had directed the Central Bank to continue with the re-finance facility which had been withdrawn by the Bank in late March. This facility will now continue to be available to garment exporters for the next few months as "a measure of temporary relief", ministry officials told 'THE ISLAND'.

The Central Bank will now re-introduce the facility to the garment export industry—the country's biggest foreign exchange earner. "The President inquired into the problems faced by garment exporters and has understood the difficulties confronting them in the severely competitive international market," officials said.

The facility will continue until the government comprehensively examines the issues and evolves new measures, they said. "There are lots of other proposals we have in mind to support our garment industry in their struggle to maintain world market position," one senior official said.

The President's action was in response to a news report in Tuesday's 'THE ISLAND' of protests by the industry against the Central Bank's sudden withdrawal of the re-finance facility, officials said.

Apparel Exporters' Association Chairman Ajitha de Costa yesterday welcomed the re-introduction of the facility and said that the prompt response by the President was encouraging. It showed the government committed to its policy of promoting exports.

The Central Bank earlier this month withdrew this facility which allowed garment exporters to obtain credit at a low interest rate of 8 percent as against the current market rate of 24 percent. The removal had been sudden and without prior notification, garment industry sources claimed. The apparel export industry achieved a growth

of 25 percent in 1990 when the government expected a 7 percent growth and it exported Rs. [rupees] 25 billion worth of apparel maintaining its standing as the biggest foreign exchange earner. An estimated 400,000 people are directly and indirectly employed by the industry.

Presidential Initiative Reassures Industrialists

91AS0909D Colombo *THE ISLAND* in English
19 Apr 91 p 6

[Article: "Presidential Initiative"; quotation marks as published]

[Text] The prompt action by President Premadasa in response to a problem faced by the country's apparel exporters is a valuable example of what the executive presidency was meant to be by our constitutional architects.

'THE ISLAND' on Tuesday reported that the garment industry, the country's biggest foreign exchange earner, faced additional difficulties due to the action by the Central Bank in suddenly withdrawing its 're-finance' facility extended to this vital sector of the economy.

While one complaint by apparel exporters was about the very suddenness of the Central Bank's action, their main complaint was that a most important financial support facility for the industry had been withdrawn without adequate alternative measures being first put into place.

The Central Bank, of course, occupies one high point in the national economy's regulatory infra-structure and its policies and strategies must take into consideration the economy as a whole and not merely the well-being of one sector.

But mandarins though they may be, the bureaucracy and technocracy are not infallible. As with all bureaucracies, ours too has its inter-institutional and even intra-institutional differences of views on policies and strategies.

In fact policy tug-of-wars between the Treasury and the Central Bank have not been uncommon in the past. While this is inevitable, indeed necessary if policies and strategies are to be refined through a process of consultation and debate, all too often these differences have deteriorated to, or have been prompted by, mere personality conflicts and petty institutional rivalry.

In mid-1990 we saw another booming sector of the economy, the country's fledgling stockmarket thrown into disarray by a similarly unilateral action by the Central Bank. Frustrated stockbrokers watched helplessly as foreign investors and speculators, who were just beginning to show interest, held back after the Central Bank suddenly insisted on the rigid observance of cumbersome foreign exchange controls wholly unsuited to the high-speed 'real time' transactions of a modern secondary money market.

It was several weeks before that imbroglio was smoothed out but stockbrokers insist that the country lost

several hundred million rupees worth of business because of the Central Bank's action.

It was precisely to intervene in such bureaucratic tangles and inter-sectoral controversies that the country's political system has made provision for an executive presidency. Indeed one of this system's principal advocates, the first executive President, Mr. J. R. Jayewardene himself has been quoted as arguing that such a presidency would be free of 'whims and fancies' of the larger political community.

With all the advantages of lessons learned from his predecessor, President Premadasa has established his own style of an almost aggressive initiative and interventionism. The mobile Presidential Secretariat and Ministerial services are the supreme example of such executive intervention right down to the all-important 'grass roots'.

The main plant of the country's economic development strategy, exports, has also been subject to direct Presidential supervision. The President personally chairs the Export Development Council and many business leaders have expressed satisfaction with the direct access they have been granted to the Presidential ears.

Garment industry leaders are already heaving sighs of relief following the Presidential initiative reported in yesterday's 'THE ISLAND'. For them, the President's action is a clear reassurance that the government's commitments will be honoured and that is the confidence that is solely needed not only by our business community but also by all sections of Sri Lankan society.

Garments Replace Tea as Primary Export Items

91AS0909E Colombo *THE ISLAND* in English
26 Apr 91 p 6

[Article: "From Tea to Garments: Lanka's 'Nimble-Fingered' Women"; quotation marks as published]

[Text] In many of the world's affluent markets today Sri Lanka is more likely to be known for its designer jackets than for its tea. While probably all of Sri Lanka yet relishes its cup of tea (even if it has to be drunk in between bombardments), there are perhaps few who would hark back to the days when this resplendent isle was known as Lipton's 'tea garden'.

Despite the various ups and downs, the country's economy has indeed seen a slow movement away from a predominantly agriculture-based one to one based on industrial exports. Industrialisation may yet be in its infancy here and the long-awaited 'take-off' has yet to appear on the horizon. But an industrial sector is emerging, and the apparel export industry may lay claim to a historic contribution as the first major manufacturing sector.

Recent official statistics reveal that apparel exports have once again topped the list of foreign exchange earners. This sector has now been number one for the past several years so this is not news.

While congratulations are due to the industrialists themselves and exhortations must continue for better support facilities for the entrepreneurs, attention must be devoted equally seriously to the apparel industry workers.

What is significant is that the tea export industry has been replaced as the principal foreign exchange earner by an industry which also thrives primarily on female labour.

For more than a century Sri Lankan society fed itself and flourished on earnings derived from the blood and sweat of the hill-country Tamil women—those tea pluckers fabled for their 'nimble' fingers but not for their hard labour and humility.

Despite a decade of State management of the plantations and even more decades of highly organised labour unions, it was only a few years ago that these plantation women were granted equality in wages with their male fellow workers. Worse, the vast majority of these plantation women were, until recently, not even recognised as citizens of this country.

Those who lay down the law of the land and guard social attitudes must surely acknowledge the fact that from plucking two leaves and a bud, Sri Lanka's women have gone on to needle and thread to continue to ensure the inflow of vitally needed foreign exchange—the lifeblood of an export led economy. And they have done so while the country's men have been content to lounge at their desks in cool cottons, sip tea and pontificate on the importance of motherhood and the primal role of women in the 'home'.

While there is need for more attention to be focussed on the barely visible (perhaps masked) role of women in the economy and the lack of recognition of such a role, at this point of time it must suffice to look at the garment sector alone.

The garment industry and therefore the country's principal export depends on the contribution of Sri Lankan women, particularly those 'docile' young women. There are nearly 300,000 of them sweating it out today in a few thousand factories large and small. Their work conditions are already legend, more correctly, notorious, the world over, if not in Sri Lanka. In this country too, those directly affected and their families know the harsh reality.

To the credit of the garment industrialists, it must be acknowledged that, at least at the national level, the industry has already given some attention to the travails of the factory workers.

Indeed, true to the entrepreneurial dynamism already displayed in its success as an industry, the garment sector

has already made attempts to impose some self-discipline with regard to its treatment of labour. The Apparel Exporters Association has actually laid down conditions for its member firms in this regard and has gone on record as asking the government to withhold State support facilities and production quotas from errant industrialists.

But more needs to be done. Most garment factories are mere sweatshops with inhuman work conditions. There are innumerable instances of failure to pay monthly wages on the excuse of financial difficulties. Labour unionisation, which, for example in the mercantile sector has seen a fairly contented workforce and relative industrial peace, is limited—and not because of women workers' docility. There is need for a 'social contract'.

As the garment sector approaches some maturity as a major industry, it is time that government and business look ahead and take further the sophistication and drive that has been displayed so far by at least this one sector of the economy.

Education: Editorial Stresses Policy Continuity

91AS0909B Colombo *THE ISLAND* in English
18 Apr 91 p 6

[Article: "On Education"]

[Text] The Minister of Education and Higher Education Lalith Athulathmudali has obviously not lost any of his new broom zeal. Newspapers reported him recently as saying that the ultimate aim of the education system was to admit students 100 percent on merit to universities and in future only the brightest students would be taken for higher education. The district quota system for university admissions would continue until a better system was evolved. The Minister had been addressing a Mahapola Gnanadarshana seminar at Kurenegala.

These are all brave statements and the Minister is one who is not unmindful of the consequences of his statements. In fact what he has proposed through the system of provincial universities is a gigantic expansion of the reach of higher education. He believes that only such an extension can satisfy the aspirations of youth who have recently been resorting to acts of violence and nihilism.

Answering a question the Minister had said that those who ask how jobs are going to be found for the graduates passing out with the increased intake don't ask the same question in respect of their own children when they enter the universities. He had also added that such people seem not to like the children of the common man to receive an education. This may not be quite fair. Even the most die-hard conservative, we are sure, has now reconciled himself to the sons of coconut pluckers (as one UNP [expansion not given] politician once put it) going to university and even entering Parliament. The question is slightly different. Certainly to make higher education available to as many students as possible is a noble endeavour but at the same time it is necessary to

ensure that this does not lead to the lowering of standards or a dilution of the quality of education.

The question has to be addressed at two levels. On the first level intellectual standards at the universities have to be maintained and even raised from the present levels. More often than not, the education that is imparted now is narrowly academic and what is more, stiflingly specialist. The result is undergraduates who come out of the university system knowing very little beyond their own disciplines. No doubt this is partly due to their paucity of knowledge of English but also the arid environment of what are supposed to be temples of learning is also responsible for this situation. There is very little sense of intellectual excitement in our universities today.

The first challenge therefore is to restore to the universities their intellectual stature and make them places capable of producing students with a rounded liberal education. The second is a more modest challenge. With the increasing expansion of such sectors as trade, tourism and private enterprise there will be more and more young people who will not want to go to university but specialise in such areas as these. The opportunities available for such people must be expanded. This might even have to be done at special colleges of education or other institutions on such lines.

The perennial problem of Sri Lanka's education system has been the dissonance between the education that is imparted and the opportunities available in the employment market. The need for vocational training spawned such grandiose notions and schemes as the Junior Universities of Mr. Iriyagolle and the vocational education of the United Front era presided over by Dr. Premadasa Udagama. All these have gone the way of all flesh, victims of violent political change and tinkering with the education system. Now comes the Provincial Universities of the Premadasa government and Mr. Athulathmudali's grand vision.

At bottom, of course, is the absolute need for continuity particularly in so sensitive an area as education. All the previous grand schemes fell by the wayside as a result of a change of government or were violently jettisoned by succeeding panjandrums simply because they were begun by a previous regime.

This is a national crime and a disaster. Even now this trifling with the country's youth, these expensive experiments with children as guinea pigs, must cease. It is only if all political parties are committed to continuity in educational policy that there can be any true hope of national advancement.

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